



ACT
Government

2018 ANNUAL REPORT

Transport Canberra and City
Services Directorate
Volume 2
ACT Public Cemeteries Authority

Acknowledgement of Country

The Australian Capital Territory (ACT) is Ngunnawal country. The ACT Government acknowledges the Ngunnawal people as the traditional custodians of the Canberra region.

The region is a significant meeting place to the Ngunnawal and surrounding Aboriginal Nations who have gathered here for thousands of years.

Transport Canberra and City Services acknowledges and respects the Aboriginal and Torres Strait Islander people, their continuing culture and the contribution they make to the life of this city and this region.

Further information

For further information please contact:
Khayam Sheikh, Acting Chief Executive Officer
ACT Public Cemeteries Authority
PO Box 37
Mitchell ACT 2911

Telephone +61 2 620 40200
Email Khayam.Sheikh@act.gov.au
Email cemeteries@act.gov.au
www.canberracemeteries.com.au

OR

Deputy Director-General
City Services
Transport Canberra and City Services Directorate
GPO Box 158
CANBERRA ACT 2601
Telephone +61 2 620 75819
www.tccs.act.gov.au

ISBN: 978-0-642-60688-4
Publication Number: 191171
© ACT Government 2019

About this report

The Transport Canberra and City Services (TCCS) 2018-19 Annual Report is published in two volumes:

Volume 1 contains the report of TCCS and the subsumed reports of the ACT Veterinary Surgeons Board and the Animal Welfare Authority. Volume 2 contains the annexed report of the ACT Public Cemeteries Authority.

The contents pages and alphabetical index of this volume will help you navigate to specific information in the report, while the compliance statement in Volume 1 lists the annual reporting requirements for 2018-19 and the page numbers where the information appears.

Accessibility

Transport Canberra and City Services is committed to making its information accessible to as many people as possible. This report is available as a printed document, an accessible PDF and in HTML on our website at www.tccs.act.gov.au. If you have difficulty reading a standard print document and need alternative formats; if you are deaf or hearing impaired; or if English is not your first language; you can get help from the following services:

Canberra Blind Society: **T** (02) 6247 4580

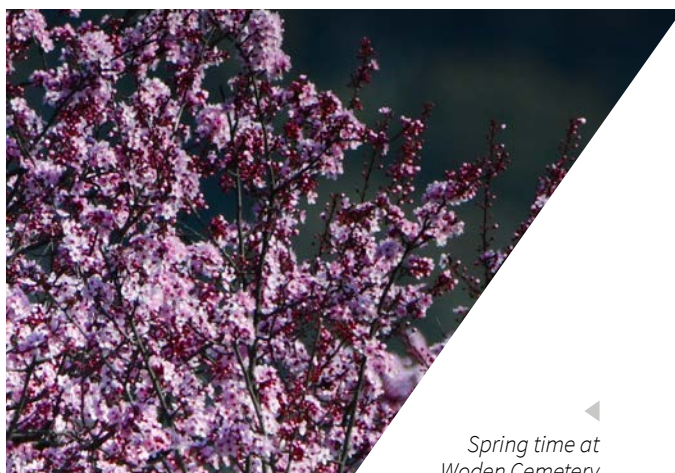
National Relay Service: **T** 13 36 77

Translating and Interpreting Service: **T** 13 14 50

Cover image: Headstone area at Woden Cemetery



Headstone area
at Gungahlin
Cemetery



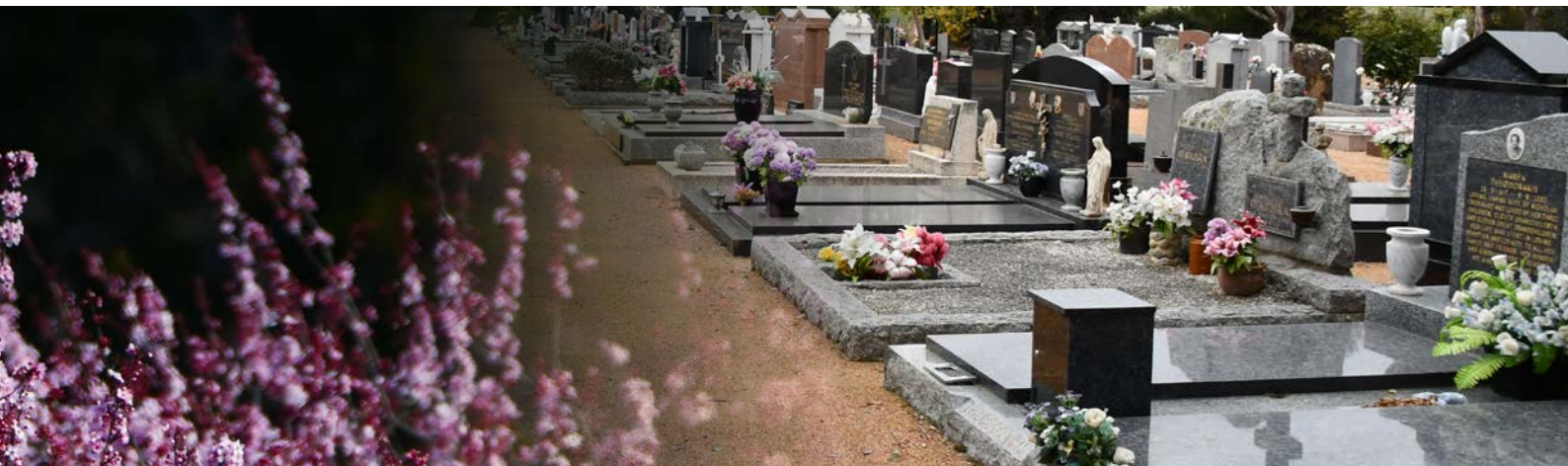
Spring time at
Woden Cemetery

TABLE OF CONTENTS

Part 1 – Transmittal Certificate	7	Section C – Financial Management	27
Part 2 – Organisation Overview and Performance	9	C.1 – Financial Management Analysis	28
B.1 – Organisation Overview	10	General Overview	28
Our Responsibilities	10	Objectives	28
Our Vision	10	Risk Management	28
Our Mission	10	Financial Performance	28
Our Customers and Stakeholders	10	Expenditure	28
Internal Accountability	10	Income	29
Our Structure	11	Financial Position	30
Charter of the Act Public Cemeteries Board	11	Total Assets	30
Planning Framework	13	Total Liabilities	30
Organisation Chart	14	Liquidity	31
Aboriginal and Torres Strait Islander Reporting	15	C.2 – Financial Statements	32
2018-19 Priorities	15	C.3 – Capital Works	95
The Year in Review	16	C.4 – Asset Management	95
Outlook for 2019-20	17	Asset Strategy	95
B.2 – Performance Analysis	18	Assets Maintenance and Upgrade	95
B.3 – Scrutiny	21	C.5 – Government Contracting	96
B.4 – Risk Management	21	C.6 – Statement of Performance	97
B.5 – Internal Audit	21	Index	103
Internal Audit Activity completed	22		
B.6 – Fraud Prevention	22		
B.7 – Work Health and Safety	22		
B.8 – Human Resources Management	23		
B.9 – Ecologically Sustainable Development	24		
Energy reduction strategies	25		
Environmental audit	25		

▼ Spring time at Woden Cemetery

▼ Headstone area at Gungahlin Cemetery





part

Transmittal Certificate

Mr Chris Steel MLA
Minister for City Services
Minister for Recycling and Waste Reduction
Minister for Roads and Active Travel
Minister for Transport
ACT Legislative Assembly
London Circuit
CANBERRA CITY ACT 2601

Dear Minister

Transmittal Certificate

I present the 2018-19 Annual Report of the ACT Public Cemeteries Authority.

This report has been prepared in accordance with section 6(1) of the *Annual Reports (Government Agencies) Act 2004* and in accordance with the requirements under the Annual Report Directions.

It has been prepared in conformity with other legislation applicable to the preparation of the Annual Report by TCCS.

We certify that information in the attached annual report is an honest and accurate account and that all material information on the operations of the Authority has been included for the period 1 July 2018 to 30 June 2019.

I hereby certify that fraud protection has been managed in accordance with the *Public Sector Management Standards 2006*, Part 2.

Section 13 of the *Annual Reports (Government Agencies) Act 2004* requires that you present the Report to the Legislative Assembly within 15 weeks after the end of the reporting year.

Yours sincerely



Stephen Bartos
Chair
ACT Public Cemeteries Authority
19 September 2019



Khayam Sheikh
Acting Chief Executive Officer
Canberra Cemeteries
19 September 2019

Office

Gungahlin Cemetery
Sandford Street
Mitchell ACT 2911

Postal Address

PO Box 37
Mitchell ACT 2911

Contact

T 02 6204 0200 F 02 6207 1624
E cemeteries@act.gov.au
W canberracemeteries.com.au



ACT
Government



Part

Organisation Overview
and Performance

B.1 ORGANISATION OVERVIEW

Our Responsibilities

The ACT Public Cemeteries Authority (the Authority) is an independent statutory authority established under the *Cemeteries and Crematoria Act 2003* (the Act) to effectively and efficiently manage public cemeteries and crematoria. The Authority currently manages and operates three public cemeteries at Gungahlin, Woden and Hall.

The key purpose of the Authority is to ensure the equitable availability of interment options and maintain burial capacity in the medium to long term for the ACT community. The Authority strives to operate as an efficient Government business with a strong customer service focus. Underpinning the services offered, the Authority has adopted operating practices that safeguard the environment and the health and safety of staff and visitors.

Our Vision

‘Honouring and celebrating life.’

Our Mission

‘Providing interment and memorialisation services to meet the diverse needs of our community.’

Our Customers and Stakeholders

- > the community;
- > funeral directors and stonemasons;
- > suppliers of goods and services;
- > our employees; and
- > the ACT Government.

Internal Accountability

The ACT Public Cemeteries Board (the Board) of the Authority is responsible to the Minister for Transport and City Services for the good governance and successful operations of the Authority. The Board takes governance of its operations seriously. In addition to the Act and the *Financial Management Act 1996* which together, in principle, serve as its constitution, the Board operates under a Charter developed by the Board. The Charter sets out the role, responsibilities and authority of the Board, the Chair, individual directors and the Chief Executive Officer (CEO) within the governance framework of the ACT Government. From this flow all policies and practices of the Board and the Authority and its relationships, lines of communication, management and probity frameworks with its stakeholders which include the Minister, Transport Canberra and City Services (TCCS), Authority staff, business partners and the community. Board directors and staff are familiar with the underpinning concepts of transparency, accountability, responsiveness and fair play.

The principles of the ACT Public Service Respect, Equity and Diversity Framework are observed in the Authority’s daily work and are considered especially important given the nature of the service provided to the community.

The Board oversees risk management through its Audit, Risk and Governance Committee and a program of internal audits carried out by external specialists. Underpinning risk management is a Risk Register that is monitored by the Audit, Risk and Governance Committee and informs the development of the internal audit program.

In addition to the Board, TCCS provides additional oversight and advice to the Authority in all aspects of its operations. Staff in the Authority are member of the ACT Public Services and are managed by TCCS. TCCS also provides the Authority with financial and accounting services which are reimbursed by the Authority.

Our Structure

The Authority's functions are to effectively and efficiently manage public cemeteries and crematoria for which the Minister has appointed the Authority as the operator.

The Act requires the Authority to:

- > operate on a sound financial basis;
- > be managed by a governing Board that consists of at least four, and not more than 12 members;
- > include at least four members on the Board who, in the Minister's opinion, represent the general community and religious denominations.

Directors are appointed for three-year terms and may be re-appointed at the discretion of the Minister; they receive remuneration at a rate set by a determination of the Remuneration Tribunal. Under the Act the CEO is a member of the Board.

Charter of the ACT Public Cemeteries Board

The Charter of the Board sets out the role, responsibilities and authority of the Board, the Chair, individual Directors and the CEO within the governance framework of the ACT Government.

TABLE 1: SUB-COMMITTEES OF THE BOARD

Name of Committee	Role of Committee
Audit, Risk and Governance	To provide recommendations and advice to the Board on risk management activities, including internal audit undertaken by the Authority and the overall risk environment; provide recommendations on governance in the Authority. Canberra Cemeteries maintains a WHS committee which provides a report to the Audit, Risk and Governance Sub-Committee.
Finance	To provide recommendations and advice to the Board on financial management and activities undertaken by the Authority.
Legislative Review Taskforce	To undertake a legislative review of the Act and regulations, and to be able to provide input into the Government review.
Strategy Taskforce	To develop Board principles in line with discussion at the planning day and draft the Strategy 2020 for consideration and approval by the Board.
Business Development Working Group	To provide recommendations and advice to the Board on potential business development opportunities, stakeholders and reputation management issues, and marketing activities undertaken by the Authority.



Ex-Service
area

TABLE 2: THE BOARD AND SUBCOMMITTEE MEMBERSHIP IN 2018-19

Name	Roles	Eligible [#]	Attendance
Stephen Bartos	Board Chair Member of Finance and Audit, Risk and Governance Sub-Committees	20	16
Pamela Burton	Deputy Chair Chair Legislative Review Taskforce Member of Finance Committee	15	14
Hamish Horne	Chief Executive Officer Member all committees	21	15
Khayam Sheikh	A/g Chief Executive Officer	3	3
Kanti Lal Jinna	Board Member Member of the Finance Committee Member of Business Development Working Group	16	14
Linda Addison	Board Member Chair of the Audit, Risk and Governance Committee Member of the Strategy Taskforce	15	15
Ken Crofts	Board Member Member of the Finance Committee	15	12
Georgina McKenzie	Board Member Chair of Finance Committee Member of Business Development Working Group	16	16
Sarah Richardson	Board Member Member of the Audit, Risk and Governance Committee Chair of the Strategy Taskforce	15	14
Nigel Phair	Board Member Member of the Audit, Risk and Governance Committee	17	11
Neale Guthrie	Board Member Member of Finance Committee (from 10 April 2019) Member of Business Development Working Group	11	9

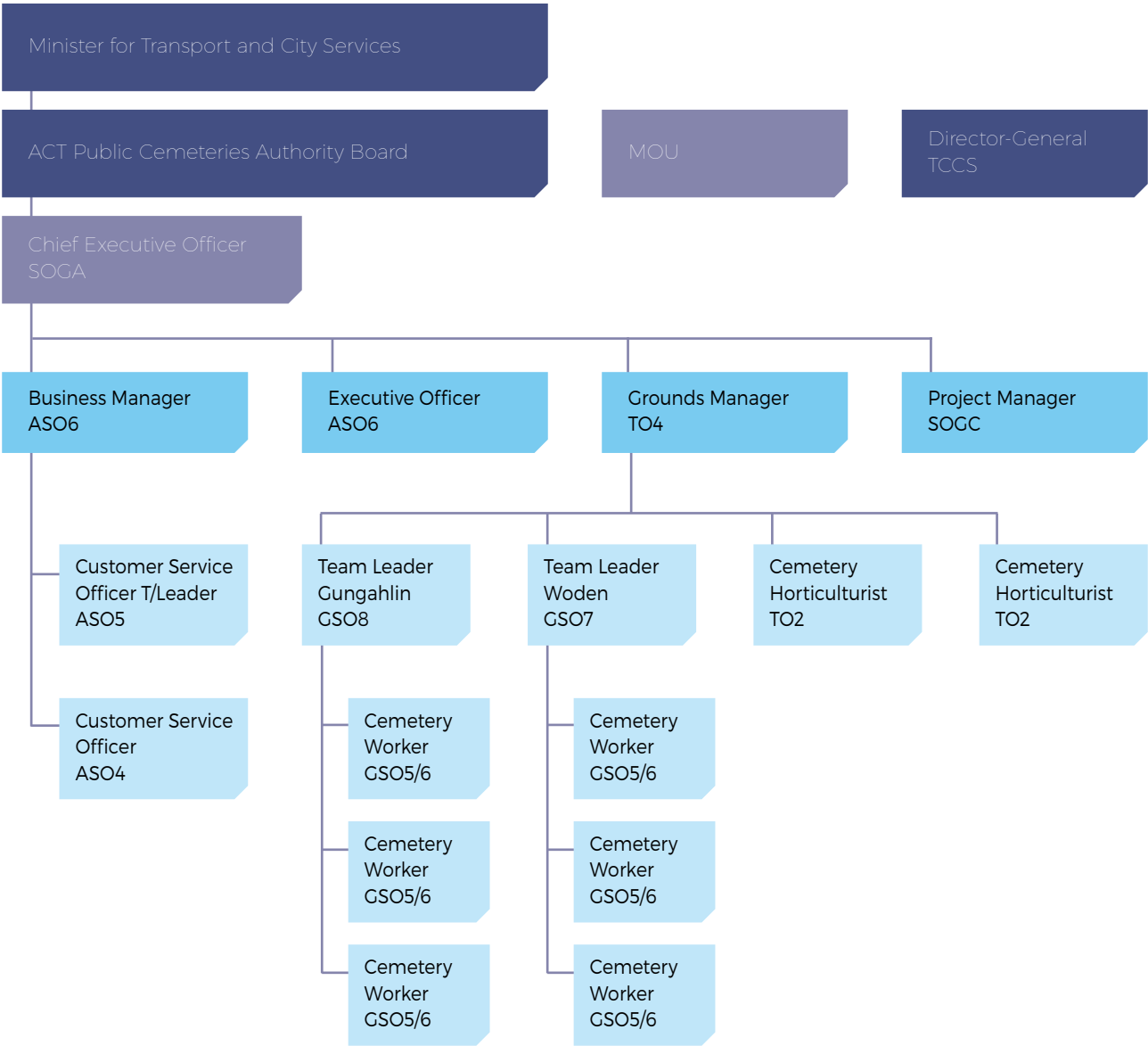
Planning Framework

For 2018-19, the following plans were used to manage the business of the Authority. Business plans and employee performance agreements are reviewed annually, with other generally reviewed biannually. The Board receives regular updates on the status of the plans.

TABLE 3: CORPORATE PLANS

Plan Title	Purpose of Plan
Strategic Business Plan 2017–2020	<ul style="list-style-type: none"> > Sets out what the Authority expects to achieve each year and how it will be achieved; > Includes annual action plans and timeframes for completion that are monitored by the Board at each meeting; and > Is reviewed annually and updated as required.
Master Plans	<ul style="list-style-type: none"> > For each precinct are being developed to ensure a strategic, structured and consistent approach to development and maintenance.
Performance Plans	<ul style="list-style-type: none"> > That align with the strategic business plan are maintained for all staff.
Policies and Guidelines	<ul style="list-style-type: none"> > A full suite of policies and subordinate procedures that have been developed to facilitate a consistent, safe approach to Authority operations; and > Are periodically reviewed to ensure they are current, relevant and consistent with ACT Government policy.
Strategic Asset Management Plan	<ul style="list-style-type: none"> > Details major assets; > Sets out criteria for acquisition, maintenance and disposal; and > Informs budget process including long term requirements.
Disaster Recovery and Business Continuity Plan	<ul style="list-style-type: none"> > Sets out criteria for levels of disaster and procedures for dealing with them; and > Includes a series of attachments including contact lists and ACT Government structures for contextual purposes.
Fraud and Corruption Prevention Plan	<ul style="list-style-type: none"> > Includes an Authority fraud policy.
Risk Management Framework and Risk Register	<ul style="list-style-type: none"> > Guides all aspects of risk management; and > Details risk assessments carried out by the Authority and how these are being addressed.
Integrated Safety Management Plan	<ul style="list-style-type: none"> > Defines the Work Health and Safety Management in compliance with AS/NZS 4801:2001 - Occupational Health & Safety Management Systems.
Dangerous Goods Management Plan	<ul style="list-style-type: none"> > To develop and implement safe systems of work to comply with relevant legislation, particularly the <i>Dangerous Substances Act 2004</i>.

Organisation Chart



Aboriginal and Torres Strait Islander Reporting

A portion at Gungahlin Cemetery has been set aside for Aboriginal and Torres Strait Islander burial. This space was developed with full involvement of local elders.

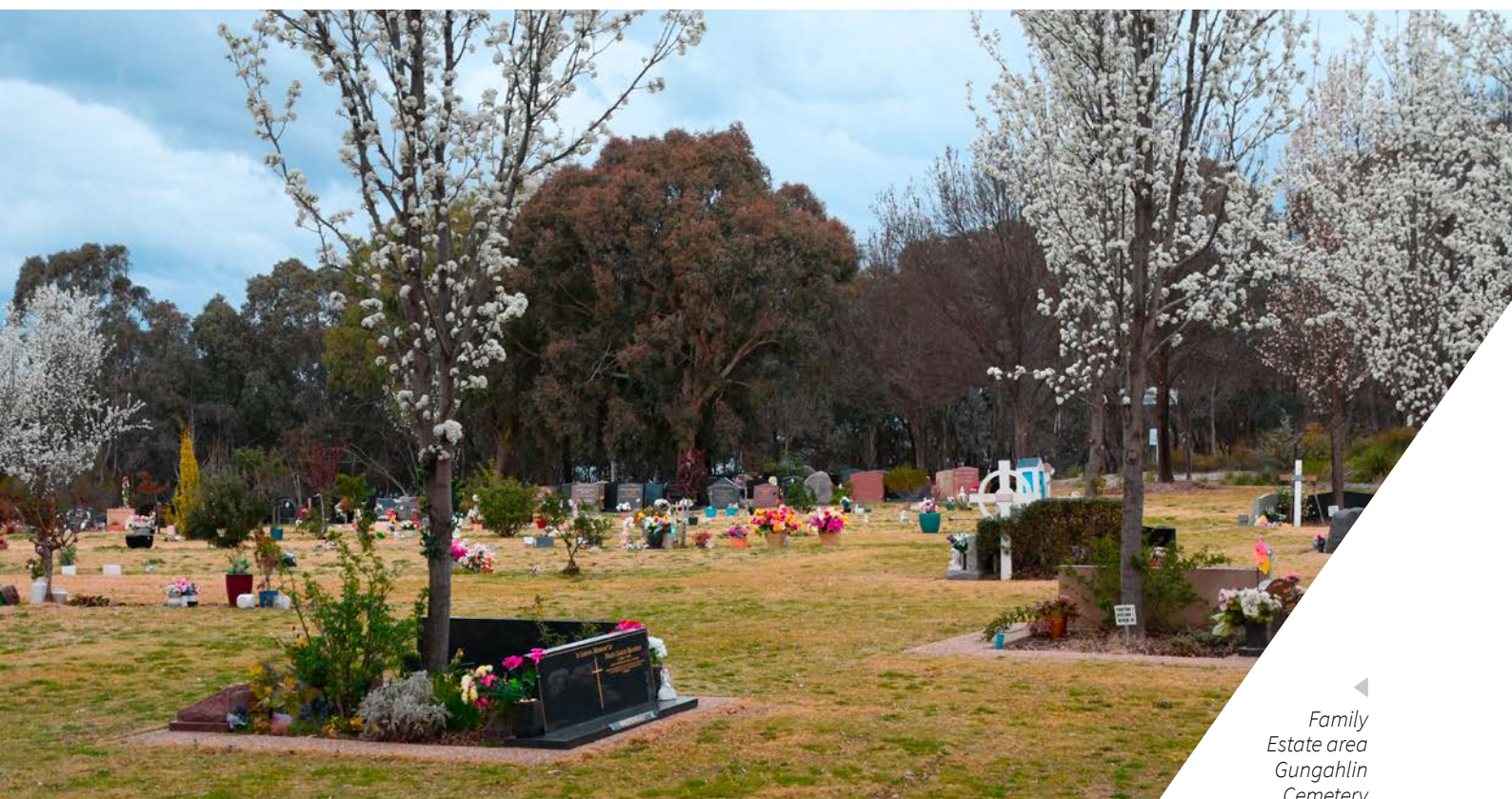
The TCCS Annual Report Volume 1 provides further detail on the Reconciliation Action Plan and other whole of government diversity employment strategies to which the Authority adheres.

2018-19 Priorities

Each year the Board conducts reviews into the Authority's progress and how it aligns with the existing plans and the current and future needs of its customers. This exercise informs the update of the Authority's strategic objectives and plan for the following year. For 2018-19, the Authority undertook to:

- > ensure the financial viability of the Authority by adapting practices and services to meet the needs of the market;

- > maintain a high level of services and burial grounds maintenance that meets the expectations of the ACT community;
- > continue the development of strategic master plans for Gungahlin and Woden Cemeteries;
- > expanding and innovating Authority service offerings in accordance with contemporary community needs including continuing planning work for future cemetery facilities;
- > increase the efficiency and effectiveness of front office operations including improved access to information online and the introduction of online memorialisation services;
- > foster strong stakeholder relations and partnerships;
- > employ innovative solutions to reduce the cost of maintenance, with a view to enhance perpetual care arrangements and the long-term financial viability of the Authority;
- > develop staff skills, with an emphasis on improving the efficiency of the Authority and maintain excellence in customer service;
- > review the existing business and strategic plans to ensure the Authority remains a sustainable business; and
- > promote natural burial options.



Family
Estate area
Gungahlin
Cemetery

The Year in Review

In 2018-19, the principal activity of the Authority was the provision of body and ashes interments and associated services at an acceptable cost to the community in a commercial and professional manner. Cemetery services continued to be delivered to a high standard. While the 2018-19 year resulted in a consistent level of interments in Canberra Cemeteries, the number of burials as a percentage of deaths continues to fall in favour of cremation. This is a nationwide trend.

The Authority's performance against its 2018-19 objectives and targets included in its 2018-19 Statement of Intent shows that the Authority has broadly met its targets and should continue to do so in the short term. Further non-financial and outcomes include:

- > 100% of burials completed on time;
- > the Authority's market share has fallen below its stated objective of 35 per cent of deaths in the ACT to 29 per cent, compared to last year 31 per cent. This reflects a national trend away from burial to cremation;
- > contributions to Perpetual Care Trust (PCT) funds are in line with the requirements of the *Cemeteries and Crematoria ACT 2003*;
- > the level of services and maintenance standards provided to the community has been maintained to a high standard. This is evidenced by customer and community survey results which show an overall satisfaction with service standards;
- > active consideration to the future of burial places in the ACT is being given by the Authority and the Government, including a Southern Memorial Park with a review being undertaken in 2019-20 by TCCS;
- > the Authority continued to make positive environmental contributions through recycling materials including bulk composting of organic waste, both on and off-site, resulting in lower operational costs and reduced negative environmental impacts;
- > the financial audit conducted by the ACT Auditor-General for the 2018-19 financial year was unqualified;
- > high levels of engagement continued with business partners as evidenced by the very supportive responses to the annual performance survey completed by funeral directors;

- > conversion of turf to species with lower water use and maintenance requirements continued at both Gungahlin and Woden cemeteries. Use of potable water at Gungahlin Cemetery was reduced to five per cent;
- > staff attended a wide range of training activities to improve and reinforce skills and safety; and
- > the Board continued to work on developing its strategic business plan including a review of Vision and Mission statements. This work is ongoing.

The TCCS annual Community Survey 2019 displayed very good results for Canberra Cemeteries with the maintenance of cemeteries receiving a 98 per cent satisfied response. In a statistically significant result, dissatisfaction levels, recorded in 2017 at 5% have dropped to 1% in 2018-19.

Results from Funeral Directors surveys and post burial surveys also reflected a high level of satisfaction with Canberra Cemeteries services. For more detail please see the Statement of Performance section on page 97 of this report.

The percentage of families choosing either a burial option or interment of ashes in a Canberra Cemeteries' precinct has fallen to 29 per cent. The long-term trends, both local and national, indicate a steady decline in the choice of a burial option in favour of cremation. The reasons for this are complicated but reflect changes in community attitudes to burials and an increase in diversity of cultural and religious customs of our multicultural community in the ACT.

▶ Plaque Beam
Woden Cemetery



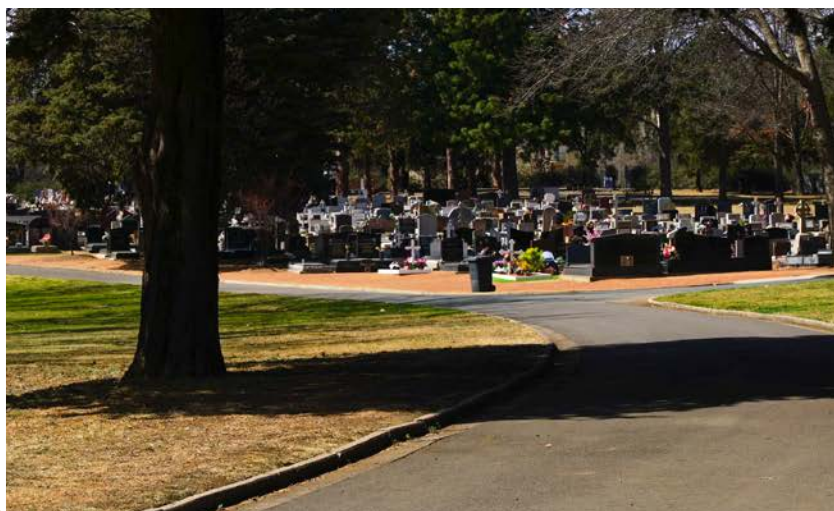
Outlook for 2019-20

Strategic and operational priorities to be pursued in 2019-20 include to:

- > renegotiate a Memorandum of Understanding with TCCS;
- > ensure the financial viability of the Authority by adapting practices and services to meet the needs of the market;
- > maintain a high level of services and burial grounds maintenance provided to the community;
- > examine opportunities and develop additional income streams;
- > continue to improve the operational efficiency;
- > expanding and innovating Authority service offerings in accordance with contemporary community needs including continuing planning work for future cemetery facilities;
- > continue the progress of technological enabled innovation in services and operations.
- > continue fostering stakeholder relations and partnerships;
- > develop staff skills, with an emphasis on improving the efficiency of the Authority and maintain excellence in customer service;
- > review the existing business and strategic plans to ensure the Authority remains a sustainable business; and
- > promote natural burial options.



Plaque Beam
Woden Cemetery



B.2 PERFORMANCE ANALYSIS

Discussion of the Authority's performance is based on objectives set out in the Act, ACT Government policies and legislation, the Statement of Intent and the Authority Strategic Business Plan 2017-20.

OBJECTIVE: Ensure the equitable availability of interment options and maintain burial capacity in the medium to long term for the ACT community.

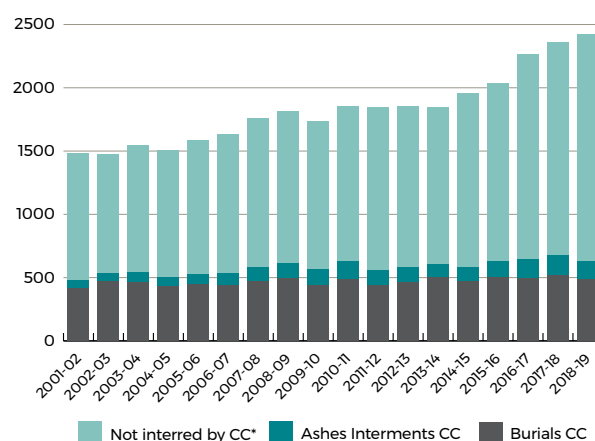
The Authority carries out benchmarking against the fees and services of similar cemeteries and across similarly sized jurisdictions every two years. To ensure equitable fees, this data is referenced when setting the fee structure and establishing new options for burial and associated cemetery services. In the comparisons carried out in 2018, the Authority is charging fees in the 56th per centile for similarly sized jurisdictions and/or similar funding models (principally capital city or regional centres). The level of income from fees continues to provide enough funds for the operation of cemeteries in the ACT.

Woden Cemetery is approaching full subscription. With the small number of allotments available at Woden and those available or yet to be developed at Gungahlin cemetery there is enough burial space for the ACT community for about 25 years. The ultimate timeframe is dependent on the needs of the community in both the style of options and the number required. As will be discussed later in this report there is a national trend away from burial and toward cremation. Nonetheless, with Woden and Hall Cemeteries effectively fully subscribed to ensure the future availability of burial space, the Authority continues to work with TCCS and the ACT Government towards the establishment of a new burial ground, the Southern Memorial Park. While not in the current ACT Budget cycle, it is anticipated that the proposed Southern Memorial Park will eventually provide for all of Canberra's future burial and interment needs. TCCS is currently undertaking a review of the *Cemeteries and Crematoria Act 2003*. The Authority has been invited to provide feedback to the review.

A new headstone area for full monument graves was opened at Woden Cemetery last year. Headstone areas require a monument that fully covers the allotment. This will be the last major development at Woden Cemetery.

The following data and commentary is based on statistics collected on its interments. In some cases, this relates to data made available by the Australian Bureau of Statistics for the ACT.

GRAPH 1: BREAKDOWN OF THE ACT DEATHS AND CC INTERMENT

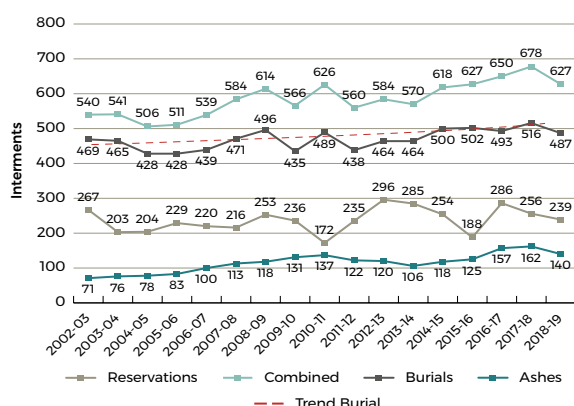


* The total number of deaths in the ACT less interments by Canberra Cemeteries

Graph 1 shows a steady and significant increase in the number of cremation interment services provided by Canberra Cemeteries. While there has been a slight drop off in 2018-19, the increase over the years (126 per cent) exceeds the increased number of deaths (61 per cent) for the period. On the other hand, burials have increased by a relatively small amount (17 per cent) compared to the increase in deaths. The percentage of deaths cremated in the ACT can be assumed as the number of deaths less the number of burials. Over the period, there has been an average fall of about one half of one per cent per annum (0.5 per cent per annum) in the number of burials compared to the number of deaths¹ in the ACT. Based on data from other jurisdictions this trend is consistent with the current national industry trend towards cremation.

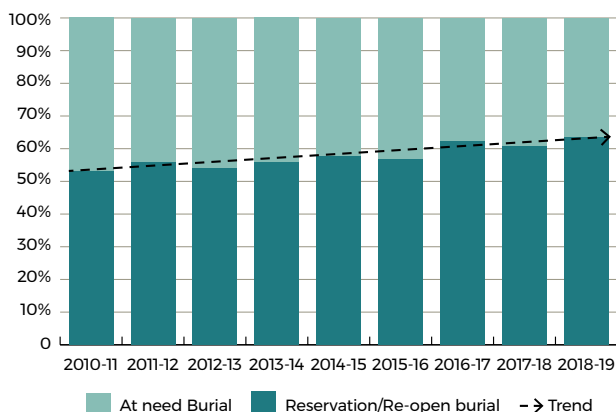
¹ Full year 2018-19 extrapolated from ABS pub. 3101.0 Australian Demographic Statistics, December Quarter 2017 – released June 2018.

GRAPH 2: COMPARISON OF INTERMENTS AND RESERVATIONS OVER TIME



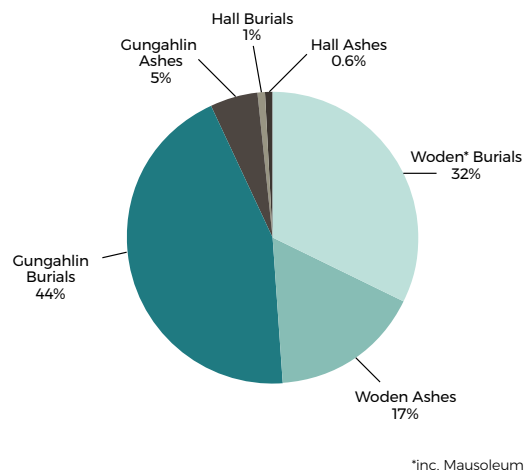
Over the last decade there has been considerable variation (up to 11 per cent from one year to the next) in the total number of interments conducted by the authority. The last five years have generally however, seen burial numbers and ashes interment increase steadily. The most noticeable variation year to year, is in the purchase of reservations (pre-need) which has seen a significant fall from a high in 2012-13 only to increase in the last two years. The increase in 2016-17 was partly due to a one-off sale of a large number of allotments during the year.

GRAPH 3: RESERVATION/RE-OPEN BURIALS COMPARED TO AT NEED BURIAL



Graph 3 demonstrates the changing ratio between burials in allotments purchased at need and burials in either reservations or reopened graves (second and third interments). The short-term effect of this changing ratio is to reduce income for the current year. Over the medium to long term, combined with low reservation sales, there is a significant risk that this trend will exacerbate the short fall in funds for maintenance.

GRAPH 4: INTERMENT DISTRIBUTION 2018-19



*Inc. Mausoleum

The choices the community makes in the location, type and style of interment are important for the Authority in short and medium-term planning. These choices guide the options that may be offered, not only in current cemeteries.

While Gungahlin Cemetery and Woden Cemetery have similar total numbers of interment, Gungahlin has the majority of burials and Woden the majority of ashes interments. It is anticipated that the number of burials at Woden will continue to decline due to a reduced availability of graves.

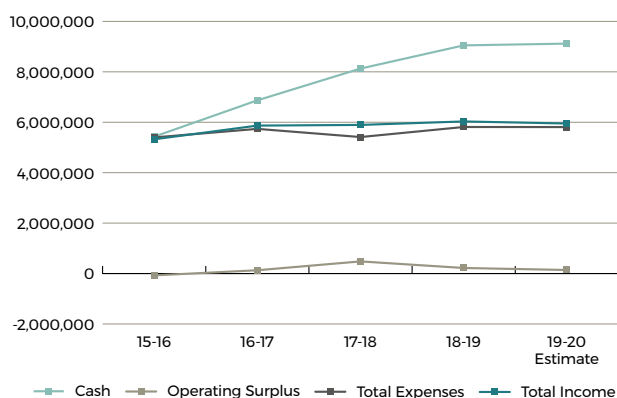
OBJECTIVE: Operate as an efficient government business with a strong customer service focus.

As noted in the 2017-18 Annual report, the changed fee structure and arrangements recommended by the review of the Perpetual Care Trust regime should see small surpluses for the Authority for the near future. The financial result for 2018-19 reflects this situation.

Benchmarking carried out as part of the above review confirms that the Authority's costs for maintenance are also at a similar level to cemetery operations in other jurisdictions.

Operating Outcomes (Figure 1) reflects the operating outcomes and cash levels compared to the recent past. The significant improvement in cash levels from 2016-17 reflects high levels of reservation sales (revenue received in advance) and lower contributions to Perpetual Care Trust Reserve funds. It is anticipated that this arrangement will contribute to higher than budget estimates for cash in 2019-20 and beyond.

FIGURE 1: OPERATING OUTCOMES



Earning rates (Table 4) reflects a significant change in accounting practice in 2012-13, which saw the final step of the change to managing graves as inventory and a restructuring of Perpetual Care Trust accounts. Policy changes in 2014-15 required significant movement of funds in the operating statement which produced a below budget result and less than optimal earning rates for 2015-16. A return to more normal rates in 2016-17 was due to higher than normal sales. The PCT review conducted by TCCS in 2017 is expected to have favourable results in future as reflected in the 2018-19 budget. For a more detailed explanation, please refer to the Financial Statements section on page 32 of this report.

TABLE 4: EARNING RATES

	2013 -14	2014 -15	2015 -16	2016 -17	2017 -18	2018 -19
Return on Assets	(1.0%)	(6.5%)	(0.005%)	0.8%	3.0%	1.3%
Return on Equity	2.0%	(16.6)	(1.1%)	1.8%	6.3%	2.8%

The legislative arrangements for the management of PCT funds still leave the future outcomes for the Authority in some doubt. Without changes to these arrangements this will continue to be the case.

The Authority strives to provide a high-quality service to its customers, business partners and other stakeholders. The low level of complaint and the high level of expressed satisfaction from customers, business partners and other stakeholders reflect the high level of service delivered by the Authority. These results have been consistently high for many years. The annual customer service question in the TCCS survey on maintenance of grounds at cemeteries achieved a satisfaction level of 98 per cent following 95 per cent in 2017-18 and a decline in dissatisfaction levels to 1%.

Results from in-house surveys of customers, post-burial and from funeral directors indicate very high levels of satisfaction. Please see Statement of Performance (page 97) for more detail.

OBJECTIVE: Adopt operating practices that safeguard the environment and the health and safety of staff and visitors.

The Authority continues to employ a number of strategies to reduce its environmental impact, including recycling all organic material waste onsite, water use reduction and minimising runoff, and a range of other practices, including those mandated by the ACT Government.

In 2017 the Authority commissioned an audit of its environmental management practices and compliance with statutory obligations. In summary the audit found that the Authority's management and control of identified risks in relation to environmental management was effective, and that overall it was compliant with the *Environment Protection Act 1997* and the *Environmental Regulation 2005*. The environmental actions identified in the report were either completed or in the process of being carried out.

Through TCCS, the Authority applied to the Carbon Neutral Government Loan Fund for installation of an on-site renewable electricity solar photo-voltaic system at the Gungahlin Cemetery. The system was installed in the first half of 2018-19 financial year. It is expected this system will meet all the electricity consumption needs at Gungahlin Cemetery.

Please see the Ecologically Sustainable Development section on page 24 of this Annual Report for more details.

The Authority continues to operate a Workplace Health and Safety Committee. The role of this Committee is to oversee workplace health and safety (WHS), in particular, workplace safety audits, and to make recommendations to management regarding issues and changes to work practices that may improve health and safety of staff and visitors. In addition, the Authority works within the TCCS WHS framework to ensure that ACT Government WHS requirements are met. Staff health and safety will continue to be an area of focus. At a higher level WHS is reviewed by the Board and the Audit and Risk Management Committee.

Training also continues to be a high priority in WHS management. Specific areas of training conducted in 2018-19 included: Respect Equity and Diversity,

Workplace Health and Safety, introduction to construction, attendances at cemeteries specific conferences, seminars and webinars, operation of specific equipment, TCCS induction, risk management and performance planning. Most staff maintained an Apply First Aid qualification throughout the year.

Continuing the practice of previous years, all staff were offered inoculations against influenza with the majority taking advantage of the offer.

B.3 – SCRUTINY

There were no outstanding items that required action post 30 June 2018 from the Auditor General's final audit management reports for the ACT Public Cemeteries Authority and Perpetual Care Trusts for the year ended 30 June 2018.

B.4 – RISK MANAGEMENT

Risk management is managed under the Authority's Risk Management Framework.

The aim of this Framework is to identify and reduce risks within the Authority by implementing strategies to reduce the impact of identified risks occurring, thus avoiding cost to people and property and allowing for the ongoing continuity of business.

This Framework applies to all aspects of our business including the purchase of fixed and portable assets and consumables as well as staffing and workplace health and safety, information technology and project planning.

It is the responsibility of all staff to report risks as they are identified. This allows senior staff to implement analysis of potential risks and implement strategies to mitigate these risks where possible. The overall responsibility for the Risk Management Framework lies with the Board and CEO of the Authority. The Audit, Risk and Governance sub-committee of the Board guides the overall risk management.

The Authority's Disaster Recovery and Business Continuity Plan was reviewed and updated in May 2018. The Authority's Fraud Prevention Policy was also reviewed and updated in June 2019.

The Authority's Risk Register is considered a live document in the current risk management standard format.

B.5 – INTERNAL AUDIT

For 2018-19 the Audit and Risk Committee continued to administer the internal audit program with audits conducted by KPMG, an independent audit provider.

The purpose of the Audit, Risk and Governance Committee is to provide independent assurance to the Board that the Authority has in place adequate processes to manage risk. The main role of this Committee is to provide recommendations and advice to the Board on risk management activities, including internal audits that have been carried out.

In particular, the Audit, Risk and Governance Committee is responsible for:

- > reviewing whether management has in place a current and comprehensive risk management framework and associated procedures for effective identification and management of financial and business risks, including fraud;
- > reviewing whether a sound and effective approach has been followed in developing strategic risk management plans;
- > acting as a forum for communication between the Board and internal and external auditors;
- > reviewing the internal audit coverage and annual work plan;
- > reviewing all audit reports and providing advice to the Board on significant issues;
- > monitoring the implementation of internal audit recommendations;
- > recommending the selection of an internal auditor (excluding audit work directed by TCCS); and
- > periodically reviewing the performance of internal audit.

The Committee currently comprises five Board members and the CEO and meets quarterly with extra meetings convened as required. Minutes of all Committee meetings are agreed out of session, so that they can be submitted to the next Board meeting.

In 2018-19 the Audit, Risk and Governance Committee and the Finance Committee were held a joint meeting. It is expected that this practice will be continued in future.

TABLE 5: MEMBERSHIP OF THE AUDIT, RISK AND GOVERNANCE COMMITTEE FOR 2018-19

Member	Position	Eligible	Meetings attended
Linda Addison	Chair	6	6
Stephen Bartos	Member	6	4
Hamish Horne	Member	6	4
Khayam Sheikh A/g CEO	Member	2	2
Nigel Phair	Member	6	3
Sarah Richardson	Member	6	6

Internal Audit Activity completed

A Review of the Strategic Asset Management Plan, in June 2019, by KPMG consulting, found that the plan serves as a useful document that management can refer to when the Authority needs to provide strategic direction for managing its existing assets. The Authority also conducted a WHS Audit and Legislative Compliance Review in 2018-19. The results of these actions are expected in the near future.

TABLE 6: REVIEW OF THE STRATEGIC ASSET MANAGEMENT PLAN

Recommendation and summary	Action and status
The Authority is recommended to update data more regularly and investigate linking the SAMP to the Broader TCCS framework. Further recommendations included detailing the cost required to maintain service levels and strengthening of forecast that lead to a more informed capital investment for future planning.	These recommendations have been discussed by the Audit, Risk and Governance Committee and will factor into the Authority's ongoing Operational Plan .

B.6 – FRAUD PREVENTION

Plans for the management of fraud and corruption have been developed based on the TCCS model which includes business continuity and risk management plans.

The Authority's fraud policy and fraud control plans were last reviewed in 2018-19.

Operating and business procedures are reviewed as required, strengthening outputs, reducing the potential for fraudulent activity and streamlining office productivity.

The Authority received no reports or allegations of fraud or corruption during the year.

B.7 – WORK HEALTH AND SAFETY

By agreement, Authority employees were managed by TCCS and, with their support and that of Shared Services, the Authority continues to be proactive in maintaining and improving workplace health and safety.

The Authority has a WHS Committee which oversees the processes of health and safety inspections. Two WHS representatives are elected by staff and are members of the WHS Committee. The Committee which is Chaired by the CEO meets quarterly. The minutes of WHS Committee meetings are provided to the Audit, Risk and Governance Committee.

The Authority has developed policy and procedure manuals to cover all aspects of cemetery work including the higher risk areas of grave digging and grounds maintenance. The policy manual sets out the rights and responsibilities of all staff and provides guidelines on the required approach to all aspects of work. The procedural manual identifies associated hazards and risks and documents the minimum steps required to complete each cemetery specific task. Policies and procedures are modified and updated as required to meet new conditions.

Staff have received training to meet statutory requirements and, where possible, enhanced and advanced training will also be offered. See Table 7: *Training undertaken by cemetery staff in 2018-19* for details. All outdoor staff members have attended training in hazard identification tailored for cemetery conditions. For the majority of the year, most staff held current first aid certification.

The Authority has developed a WHS Risk Register and this is updated as required. Quarterly safety inspections, using checklists based on the risk register, are carried out by appropriate teams of management and WHS staff. Remedial action plans are formulated to address shortcomings and new requirements. WHS is a permanent agenda item at staff meetings.

All staff were provided with the opportunity to have influenza immunisation and hepatitis B inoculations.

Promotion of the Employee Assistance Program has continued via workplace posters, brochures and wallet inserts for all staff.

Staff are encouraged to return to work as soon as practicable after time off from work due to injury and allowance is made for those who have limited capacity after injury. This process is supported by the Shared Services team who provide individual case managers as required. There was only one notifiable accident/incident reported in 2018-19. One prior year compensation claim remains open.

B.8 – HUMAN RESOURCES MANAGEMENT

The day-to-day management of our staff is the responsibility of the Authority's CEO.

Teams within TCCS provide support and oversight in all workforce related matters.

The Authority is a small agency and the workforce has, by necessity, a wide range of skills and some staff are multi-skilled. To maintain a continuous service for the community, contractors are used to ensure staff are available when necessary. Cemetery employees are deployed flexibly and move between cemeteries to maintain operations. Over the last decade, 100 per cent of graves were prepared on time, a record that the Authority is proud of.

Whilst the Authority operates in a conservative and traditional space, burial practices and customer needs are changing at an ever-increasing pace. The Authority take account of this in its strategic and operational planning to better position the Authority to manage these changes as it is important in order for the Authority to continue to meet community expectations.

To meet these needs, Canberra Cemeteries' staff undertake:

- > general administration, bookkeeping and operational support for more than 30 denominations and 14 burial and interment practices;
- > customer service that is efficient and empathetic to cemetery customers, funeral directors and the general community;
- > secretariat and logistical support for the Board;
- > planning and policy formulation, much of which is specific and tailored to the cemetery industry;
- > horticultural maintenance including large areas of manicured turf and gardens;
- > arboriculture for our significant areas of forest and heritage listed native Australian and exotic tree species;
- > grave digging operations across a wide variety of options and denomination requirements including the preparation and installation of new burial areas, landscaping and roads; and
- > operation and maintenance of a wide range of horticulture specific plant and equipment for both grounds' maintenance and cemetery specific activities.

Staff are required to maintain minimum levels of training, which for out-of-doors staff includes certification for various types of plant and equipment, industry specific safety procedures and chemical handling. Staff are encouraged to enhance their skills where possible.

All staff have performance agreements in place which set out performance measures, areas for improvement and a tailored training program for the year. Agreements are reviewed twice per year.

In recent years, structural staffing changes have been made to better reflect the levels of responsibility and difficulty of work. These changes provide greater flexibility and a career path in the Authority and, ultimately, the ACT Government.

During 2018-19 the following training was completed by cemetery staff:

TABLE 7: TRAINING UNDERTAKEN BY CEMETERY STAFF IN 2018-19

Training course	Convener	Number attending
1 st Aid	Parasol EMT	12
Backhoe Training	TCCS	5
Chemical Accreditation	Lemke Timber Training	1
Work Health and Safety Training	TCCS	2
Respect, Equality and Diversity Training	TCCS	3
Aboriginal and Torres Strait Islander Cultural Awareness	TCCS	2
TCCS Leaders Forum	TCCS	3
TCCS Induction	TCCS	1
Supervisor Performance Training	TCCS	6
Performance Training	TCCS	12
Fraud and Ethics Training	TCCS	1
Security Awareness Training	TCCS	1
Managing Workplace Behaviours	TCCS	5
Introduction to Government Procurement	Procurement ACT Gov	1
Induction to Construction	CIT Solutions	1
Navigating ACT Legislation	PCO	1

B.9 – ECOLOGICALLY SUSTAINABLE DEVELOPMENT

Canberra's main public cemeteries, Gungahlin Cemetery and Woden Cemetery, are principally lawn cemeteries with underturf irrigation. Ongoing dry periods and water restrictions have necessitated a reduction in water use. A program to replace cool season grasses with warm season grasses to reduce water use, mowing frequency and other maintenance costs is about 70 per cent complete and will continue over the next few years as resources are available.

Woden Cemetery is irrigated entirely using potable water. Hall Cemetery has no irrigation. Gungahlin Cemetery is largely irrigated from non-potable sources both on-site and off-site.

Following completion of the two projects, water used in 2017-18 and 2018-19, 98 per cent and 99 per cent respectively, came from non-potable bore and surface water sources. At present the final stage cannot be completed due to financial constraints but once implemented will significantly enhance storage capacity and for practical purposes, remove any reliance on potable water in normal rainfall/temperature years.



Headstones at Woden Cemetery

The Authority continues to recycle most of its organic waste products generated onsite, in particular at Gungahlin Cemetery. Materials such as leaves, and clippings are composted at both Woden and Gungahlin cemeteries for reuse onsite. Log waste is chipped and used as mulch and use is also made of organic street sweepings from the surrounding suburbs.

Waste paper and cardboard are recycled, as are toner cartridges and batteries. Canberra Cemeteries recently received accreditation in the ACTSmart Business Recycling Program. Serviceable but excess or superseded equipment is sold or traded in on replacements whenever possible.

Non-saleable computer equipment is donated or disposed of through approved drop-off centres.

Clean fill generated from grave digging at both Woden and Gungahlin cemeteries is reused in the development of new burial areas at Gungahlin.

In general, portions of both Gungahlin and Woden cemeteries that do not contain burials or memorials are not irrigated now, nor will be in the foreseeable future. Dry grassland species have been over sown where appropriate.

In November 2015 a natural burial option was introduced at Gungahlin Cemetery. The ethos of natural burial requires that only natural biodegradable material be permitted in a grave. Additionally, this option makes use of forest areas that would not otherwise be used and allows for the potential reuse of land in future. While not a high use option, compared to other jurisdictions it is well subscribed.

Energy reduction strategies

Strategies to achieve energy reduction include:

In the office:

- > timers and thermostats utilising fixed heating and cooling equipment;
- > insulated curtains and some double glazing;
- > on-site renewable electricity solar photo-voltaic system at the Gungahlin Cemetery;
- > regularly reminding staff to be conscious of and to adopt energy saving strategies; and
- > ensuring all light fittings in new office are LED or compact fluorescent.

On the grounds:

- > conversion of turf to varieties that required lower maintenance and water;
- > irrigation system upgrades;
- > evaluating vehicle purchases for fuel efficiency as part of procurement procedures; and
- > replacing small petrol powered machines with equivalent battery powered devices.

Environmental audit

As part of the Authority's internal audit program for 2016-17, an audit of the Authority's environmental credentials was carried out. The final report for this audit was received in October 2017. The report noted that "Overall Canberra Cemeteries was compliant with the *Environment Protection Act 1997* and the *Environmental Regulation 2005*. Additionally, the controls in respect of the Hall Management Plan were found to be operating effectively".



part

Financial
Management

C.1 – FINANCIAL MANAGEMENT ANALYSIS

General Overview

Objectives

The ACT Public Cemeteries Authority (the Authority) is responsible for all earth burials in the ACT. It maintains three cemeteries in the Canberra region, located at Gungahlin, Hall and Woden and a Mausoleum at Woden Cemetery. The Authority was established under the *Cemeteries and Crematoria Act 2003* (the Act) operates in accordance with the Financial Management Act 1996 and is self-funded. The main source of Revenue is Income from Burials, Reservations and returns earned on invested funds.

The Act that came into force in September 2003 allows for private cemeteries to operate within the ACT and requires a Perpetual Care Trust (PCT) to be established for each cemetery. Each Trust comprises two parts, one for current maintenance and one for future maintenance, the Reserve (PCTR), which is intended to provide for maintenance for each site in perpetuity. The Minister has set a percentage of income that must be paid into each fund. The percentages are required to be reviewed once every five years and were reviewed in 2016-17. New percentages took effect on 1 July 2017.

Risk Management

The Authority's approach to risk management provides clients with assurance that the Authority can deliver low risk/high value services. The Authority has developed a Strategic Business Plan, Risk Register, Business Continuity Plan and Fraud and Corruption Prevention Plan. These are considered live documents and are subject to continual change.

Financial Performance

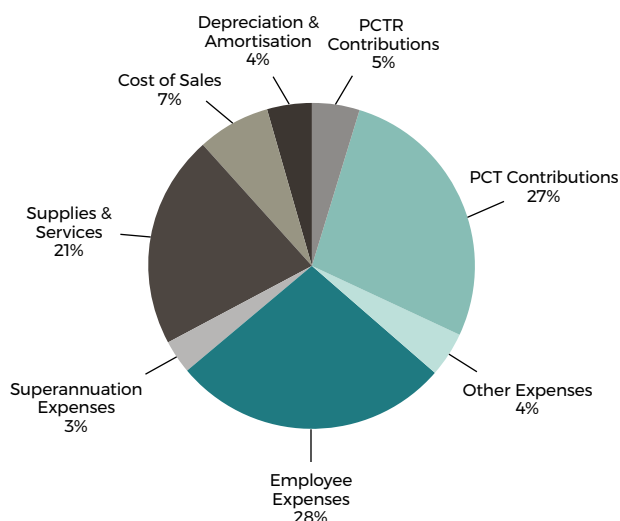
The following financial information is based on the forward estimates contained in the 2018-19 Statement of Intent and Financial Statements for 2018-19.

Expenditure

1. Components of Expenditure

Figure 2 indicates the components of the Authority's expenditure to 30 June 2019 with the largest component of expenditure being Employee Expenses (excluding Superannuation) which represents 28 per cent (\$1.596 million) of ordinary activities. PCT and PCTR Contributions at 32 per cent (\$1.861 million) are mostly offset against PCT Drawdowns (see Income below). PCT and PCTR Contributions are calculated as a percentage of Burial Related Income (as described in Objectives above).

FIGURE 2: COMPONENTS OF EXPENDITURE IN 2018-19



2. Comparison to Budget

Total expenditure of \$5.800 million was \$0.657 million, or 12.8 per cent above the 2018-19 Budget. There were small variations across most areas. Principally the net effect reflects higher than budgeted Cost of Sales (due to changes in allocation of costs) and higher than budgeted PCT Contributions (due to higher than budgeted income) and to Other Expenses (due to the need to expense some project and planning costs for the Southern Memorial Park and write down of Inventory assets at Hall Cemetery not being suitable for development due to environmental concerns) and Supplies and Services (principally for higher than expected water costs and labour hire costs).

3. Comparison to 2016-17 Actual Expenditure

Total expenditure was \$0.387 million, or 7 per cent higher than the 2017-18 actual result. This is principally related to higher PCT Contributions driven by increased sales revenue and increased employee expenses for wages and salaries primarily due to a previously vacant position being filled and the backfill of several positions for staff on leave.

4. Future Trends

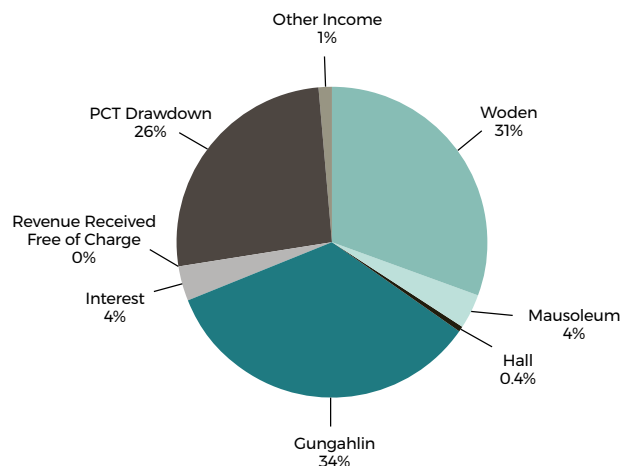
While this year saw an increase in overall expenditure, there were \$0.240 million in expenses relating to Inventory and Work in Progress balances being written off during the year. The overall trend is toward increasing expenditure above the Consumer Price Index due to the constant development of cemeteries (Gungahlin Cemetery). As noted previously by the Authority, current legislation relating to the PCT framework creates a significant risk of future deficits should the percentages be increased in future. It should be noted that TCCS is currently reviewing the Act.

Income

1. Components of Income

Figure 3 below indicates that in 2018-19 the Authority received 95 per cent of its total income of \$6.020 million from User Charges – Non-ACT Government. This comprises Income from the direct sale of allotments and burial services to the ACT community in 2018-19 (69 per cent) and Drawdowns from PCT funds (26 per cent). These drawdowns are calculated using the model provided by the ACT Government for this purpose. Most of the remainder of the Authority's Income is derived from Interest from Investments which increased slightly in 2018-19 due to an increased level of funds invested.

FIGURE 3: COMPONENTS OF INCOME IN 2018-19



2. Comparison to Budget

Total Income for 2018-19 of \$6.020 million (which included PCT Drawdowns) was \$0.561 million (10 per cent) higher than the 2018-19 Budget of \$5.459 million. Revenue from User Charges non-ACT Government was above budget by 8.6 per cent principally due to increase in sales. The total of other revenue for 2018-19 including earnings from Investments and Drawdown from Perpetual Care Trusts of \$1.859 million was above budget by 14.2 per cent. This principally related to higher PCT Drawdowns due to higher than budgeted Expenses as described above (Components of Expenditure).

3. Comparison to 2016-17 Actual Income

Total Income in 2018-19 was \$0.126 million, 2 per cent higher than the 2017-18 actual result. There were small variations across most categories, the largest being the reimbursement of the PCT in relation to maintenance expenditure.

4. Future Trends

Total Income for 2019-20 is budgeted to increase in line with annual fee increases when compared to 2018-19. This will be assessed annually as it is assumed for this calculation that there will be little growth in sales with similar numbers of burials and a similar mix of allotment types sold in future.

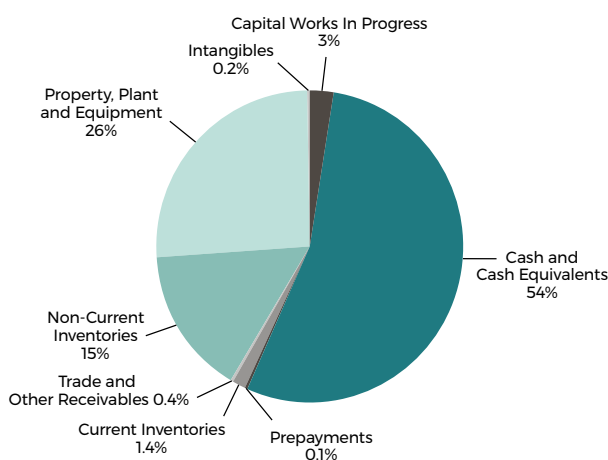
Financial Position

Total Assets

1. Components of Total Assets

Figure 4 below indicates that at 30 June 2019, the Authority held 54 per cent of its Assets in Cash and Cash Equivalents and 26 per cent in Property, Plant and Equipment. A further 15 per cent of Assets represent Non-Current Inventories which comprise Inventories which are ready for sale but not expected to be sold in the next 12 months.

FIGURE 4: TOTAL ASSETS BREAKDOWN AT 30 JUNE 2019



2. Comparison to Budget

The total Asset position at 30 June 2019 is \$16.749 million which is 3 per cent above the budgeted position of \$16.258 million. This is primarily through an increase in Cash and Equivalents due to an increase in reservations (pre-need sales).

3. Comparison to 2016-17 Actuals

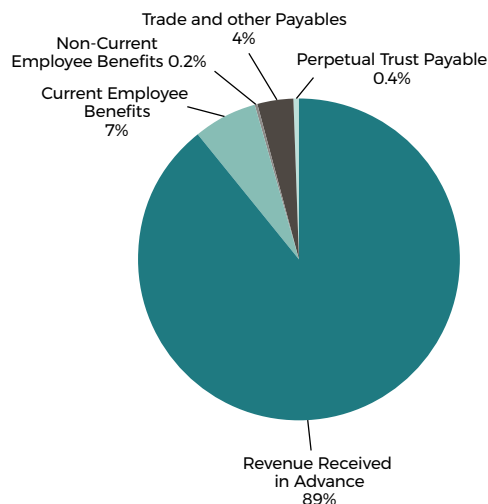
The Authority's total Assets are \$0.535 million higher than the 2017-18 actual result of \$16.214 million. This resulted principally from an increase in Cash from high numbers of sales but was offset by a reduction in Inventory levels due to fewer graves being developed than sold.

Total Liabilities

1. Components of Total Liabilities

Figure 5 below indicates that most of the Authority's Liabilities relate to Fees Received in Advance (89 per cent). This percentage varies very little from year to year.

FIGURE 5: TOTAL LIABILITIES BREAKDOWN AT 30 JUNE 2019



2. Comparison to Budget

The Authority's Liabilities at 30 June 2019 of \$8.869 million is above budget by 2 per cent, principally due to higher than expected Revenue Received in Advance (as previously discussed) offset by lower than expected Payables and Employee Entitlements.

3. Comparison to 30 June 2018 Actuals

Total Liabilities are \$0.318 million or 4 per cent higher than the 2018 actual result of \$8,551 million which reflects the high number of recent reservation sales recorded as Revenue Received in Advance.

Liquidity

‘Liquidity’ is the ability of the Authority to satisfy its short-term debts as they fall due. A common indicator for liquidity is the current ratio, which compares the ability to fund short-term Liabilities from short-term Assets. A ratio of less than 1-to-1 may indicate a reliance on the next financial year’s user charges – non-ACT Government, to meet short-term debts. Table 1 indicates the liquidity position of the Authority.

TABLE 8: CURRENT RATIO

Description	Prior Year Actual \$'000	Current Year Budget \$'000	Current Year Actual \$'000	Forward Year Budget \$'000	Forward Year Budget \$'000	Forward Year Budget \$'000
At 30 June	2018	2019	2019	2020	2021	2022
Current Assets	8,461	8,457	9,381	9,119	9,374	9,666
Current Liabilities	8,530	8,642	8,817	8,664	8,702	8,743
Current Ratio	0.99	0.98	1.06	1.05	1.08	1.11

Forward years are based on the Authority Statement of Intent for 2019-20

The Authority’s current ratio for the financial year to 30 June 2019 is 1.06 which is above budget. This is an improvement over last year with assets increasing more than Liabilities. Despite this, most are not expected to be paid (Employee Benefits) or recognised as Revenue (Received in Advance) within 12 months of the reporting date.

Therefore, a better indication of the Authority’s short-term financial position is provided by excluding those benefits not expected to be paid and those Revenues in Advance not expected to be recognised within 12 months of the reporting date. As per Table 2 below, the adjusted ratio is 7.87 at 30 June 2019, which indicates that the Authority can pay its debts in the short term.

TABLE 9: ADJUSTED CURRENT RATIO

Description	Prior Year Actual \$'000	Current Year Budget \$'000	Current Year Actual \$'000	Forward Year Budget \$'000	Forward Year Budget \$'000	Forward Year Budget \$'000
At 30 June	2018	2019	2019	2020	2021	2022
Current Assets	8,461	8,457	9,381	9,119	9,374	9,666
Current Liabilities	1,229	1,204	1,192	1,171	1,104	1,071
Current Ratio	6.88	7.02	7.87	7.79	8.49	9.03

C.2 – FINANCIAL STATEMENTS



AUDITOR-GENERAL AN OFFICER
OF THE ACT LEGISLATIVE ASSEMBLY



INDEPENDENT AUDITOR'S REPORT ACT PUBLIC CEMETERIES AUTHORITY

To the Members of the ACT Legislative Assembly

Opinion

I have audited the financial statements of the ACT Public Cemeteries Authority (the Authority) for the year ended 30 June 2019 which comprise the operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, including a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- (i) present fairly, in all material respects, the Authority's financial position as at 30 June 2019, and its financial performance and cash flows for the year then ended; and
- (ii) are presented in accordance with the *Financial Management Act 1996* and comply with Australian Accounting Standards.

Basis for opinion

I conducted the audit in accordance with the Australian Auditing Standards. My responsibilities under the standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of this report.

I am independent of the Authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code). I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Authority for the financial statements

The Governing Board of the Authority is responsible for:

- preparing and fairly presenting the financial statements in accordance with the *Financial Management Act 1996*, and relevant Australian Accounting Standards;
- determining the internal controls necessary for the preparation and fair presentation of financial statements so that they are free from material misstatements, whether due to error or fraud; and
- assessing the ability of the Authority to continue as a going concern and disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting in preparing the financial statements.

Level 4, 11 Moore Street Canberra City ACT 2601 PO Box 275 Civic Square ACT 2608
T 02 6207 0833 F 02 6207 0826 E actauditorgeneral@act.gov.au W www.audit.act.gov.au

Auditor's responsibilities for the audit of the financial statements

Under the *Financial Management Act 1996*, the Auditor-General is responsible for issuing an audit report that includes an independent opinion on the financial statements the Authority.

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Authority's internal controls;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made the Authority;
- conclude on the appropriateness of the Authority's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in this report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of this report. However, future events or conditions may cause the Authority to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether they represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Governing Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Ajay Sharma
Assistant Auditor-General, Financial Audit
6 September 2019

**FINANCIAL STATEMENTS
OF
ACT PUBLIC CEMETERIES AUTHORITY

FOR THE YEAR ENDED 30 JUNE 2019**

ACT Public Cemeteries Authority

Financial Statements For the Year Ended 30 June 2019

Statement of Responsibility

In my opinion, the financial statements are in agreement with the ACT Public Cemeteries Authority's (Authority) accounts and records and fairly reflect the financial operations of the Authority for the year ended 30 June 2019 and the financial position of the Authority on that date.



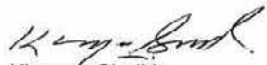
Stephen Bartos
Chairperson
ACT Public Cemeteries Authority
15 July 2019

ACT Public Cemeteries Authority

Financial Statements For the Year Ended 30 June 2019

Statement by the Chief Executive Officer

In my opinion, the financial statements have been prepared in accordance with the Australian Accounting Standards, and are in agreement with the ACT Public Cemeteries Authority's (Authority) accounts and records and fairly reflect the financial operations of the Authority for the year ended 30 June 2019 and the financial position of the Authority on that date.



Khayam Sheikh
Acting Chief Executive Officer
ACT Public Cemeteries Authority
15 July 2019

ACT Public Cemeteries Authority

Operating Statement
For the Year Ended 30 June 2019

	Note No.	Actual 2019 \$'000	Original Budget 2019 \$'000	Actual 2018 \$'000
Income				
<i>Revenue</i>				
User Charges	3	4,160	3,831	4,097
Interest		211	177	167
Reimbursement of Maintenance and Related Expenditure Incurred on Behalf of the Perpetual Care Trusts	4	1,572	1,451	1,497
Other Revenue		88	-	113
Total Revenue		6,031	5,459	5,874
<i>Gains</i>				
Other Gains		1	-	20
Total Gains		1	-	20
Total Income		6,032	5,459	5,894
Expenses				
Employee Expenses	5	1,596	1,632	1,378
Superannuation Expenses		190	171	165
Supplies and Services	6	1,250	1,020	1,281
Depreciation and Amortisation	7	244	239	302
Cost of Sales	8	419	352	430
Transfers to the Perpetual Care Trusts ^a	9	1,861	1,729	1,778
Other Expenses	10	252	-	79
Total Expenses		5,812	5,143	5,413
Operating Surplus		220	316	481
Other Comprehensive Income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Increase in the Asset Revaluation Surplus		-	-	-
Total Comprehensive Income		220	316	481

The above Operating Statement should be read in conjunction with the accompanying Notes.

a. Transfers to the Perpetual Care Trusts are recorded as Other Expenses in the Budget Papers.

ACT Public Cemeteries Authority

Balance Sheet As at 30 June 2019

	Note No.	Actual 2019 \$'000	Original Budget 2019 \$'000	Actual 2018 \$'000
Current Assets				
Cash and Cash Equivalents	11	9,049	8,095	8,129
Receivables		77	69	65
Inventories	12	240	266	253
Prepayments		15	27	14
Total Current Assets		9,381	8,457	8,461
Non Current Assets				
Inventories	12	2,573	2,749	2,781
Property, Plant and Equipment	13	4,323	4,418	4,336
Intangible Assets		30	31	32
Capital Works in Progress	14	443	603	603
Total Non-Current Assets		7,369	7,801	7,752
Total Assets		16,750	16,258	16,213
Current Liabilities				
Payables	15	317	472	393
Employee Benefits	16	582	674	580
Revenue Received in Advance	17	7,913	7,496	7,557
Borrowings		5	-	-
Total Current Liabilities		8,817	8,642	8,530
Non-Current Liabilities				
Employee Benefits	16	19	23	21
Borrowings		32	-	-
Total Non-Current Liabilities		51	23	21
Total Liabilities		8,868	8,665	8,551
Net Assets		7,882	7,593	7,662
Equity				
Accumulated Funds		5,667	5,378	5,447
Asset Revaluation Surplus		2,215	2,215	2,215
Total Equity		7,882	7,593	7,662

The above Balance Sheet should be read in conjunction with the accompanying Notes.

ACT Public Cemeteries Authority

Statement of Changes in Equity For the Year Ended 30 June 2019

	Accumulated Funds Actual 2019 \$'000	Asset Revaluation Surplus Actual 2019 \$'000	Total Equity Actual 2019 \$'000	Original Budget 2019 \$'000
Balance at 1 July 2018	5,447	2,215	7,662	7,277
Comprehensive Income				
Operating Surplus	220	-	220	316
Total Comprehensive Income	220	-	220	316
Balance at 30 June 2019	5,667	2,215	7,882	7,593

	Accumulated Funds Actual 2018 \$'000	Asset Revaluation Surplus Actual 2018 \$'000	Total Equity Actual 2018 \$'000
Balance at 1 July 2017	4,966	2,215	7,181
Comprehensive Income			
Operating Surplus	481	-	481
Total Comprehensive Income	481	-	481
Balance at 30 June 2018	5,447	2,215	7,662

The above Statement of Changes in Equity should be read in conjunction with the accompanying Notes.

ACT Public Cemeteries Authority

Cash Flow Statement For the Year Ended 30 June 2019

	Note No.	Actual 2019 \$'000	Original Budget 2019 \$'000	Actual 2018 \$'000
Cash Flows from Operating Activities				
Receipts				
User Charges - Non-ACT Government		4,502	4,044	4,623
Reimbursement of Maintenance and Related Expenditure from Perpetual Care Trusts				
Gungahlin Cemetery Perpetual Care Trust		879	-	800
Hall Cemetery Perpetual Care Trust		4	-	2
Woden Cemetery Perpetual Care Trust		669	-	616
Woden Mausoleum Perpetual Care Trust		23	-	24
Total Reimbursements from Perpetual Care Trusts ^a		1,575	1,568	1,442
Interest and Distributions Received		213	165	157
Goods and Services Tax Input Tax Credit from the Australian Taxation Office		159	147	175
Goods and Services Tax Collected from Customers		458	310	485
Other		76	-	93
Total Receipts from Operating Activities		6,983	6,234	6,975
Payments				
Transfers to the Perpetual Care Trusts				
Gungahlin Cemetery Perpetual Care Trust		996	-	929
Hall Cemetery Perpetual Care Trust		23	-	13
Woden Cemetery Perpetual Care Trust		828	-	809
Woden Mausoleum Perpetual Care Trust		26	-	52
Total Transfers to the Perpetual Care Trusts ^a		1,873	1,905	1,803
Employees		1,439	1,420	1,431
Superannuation		191	171	166
Supplies and Services		1,435	1,047	1,160
Cost of Sales		291	289	286
Goods and Services Tax Remitted to the Australian Taxation Office		483	343	465
Goods and Services Tax Paid to Suppliers		157	169	177
Total Payments from Operating Activities		5,869	5,344	5,488
Net Cash Inflows from Operating Activities	19	1,114	890	1,487

- a. Reimbursement of maintenance and transfers to the Perpetual Care Trusts are not broken down by cemetery in the Budget Papers.

ACT Public Cemeteries Authority

Cash Flow Statement - Continued For the Year ended 30 June 2019

	Note No.	Actual 2019 \$'000	Original Budget 2019 \$'000	Actual 2018 \$'000
Cash Flows from Investing Activities				
Receipts				
Proceeds from the Sale of Property, Plant and Equipment		1	-	61
Total Receipts from Investing Activities		1	-	61
Payments				
Purchase of Property, Plant and Equipment		231	350	288
Total Payments from Investing Activities		231	350	288
Net Cash (Outflows) from Investing Activities		(230)	(350)	(227)
Cash Flows from Financing Activities				
Receipts				
Proceeds from Borrowings		36	-	-
Total Receipts from Financing Activities		36	-	-
Net Cash inflows from Financing Activities		36	-	-
Net Increase in Cash and Cash Equivalents		920	540	1,260
Cash and Cash Equivalents at the Beginning of the Year		8,129	7,555	6,869
Cash and Cash Equivalents at the End of the Year	19	9,049	8,095	8,129

The above Cash Flow Statement should be read in conjunction with the accompanying Notes.

ACT Public Cemeteries Authority

Index for the Financial Statements For the Year Ended 30 June 2019

Note 1.	Objectives Of the ACT Public Cemeteries Authority	10
Note 2.	Basis of Preparation of the Financial Statements	12
Income Notes		
Note 3.	User Charges	14
Note 4.	Reimbursement of Maintenance and Related Expenditure Incurred on Behalf of the Perpetual Care Trusts	15
Expenses Notes		
Note 5.	Employee Expenses	16
Note 6.	Supplies and Services	17
Note 7.	Depreciation and Amortisation	18
Note 8.	Cost of Sales	19
Note 9.	Transfers to the Perpetual Care Trusts	20
Note 10.	Other Expenses	21
Assets Notes		
Note 11.	Cash and Cash Equivalents	21
Note 12.	Inventories	22
Note 13.	Property, Plant and Equipment	24
Note 14.	Capital Works in Progress	32
Liabilities Notes		
Note 15.	Payables	33
Note 16.	Employee Benefits	34
Note 17.	Revenue Received in Advance	37
Other Notes		
Note 18.	Financial Instruments	38
Note 19.	Cash Flow Reconciliation	42
Note 20.	Related Party Disclosures	44
Note 21.	Budgetary Reporting	45
Note 22.	Impact of Accounting Standards Issued But Yet to be Applied	47

ACT Public Cemeteries Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2019

Note 1. OBJECTIVES OF THE ACT PUBLIC CEMETERIES AUTHORITY

Operations and Principal Activities

The ACT Public Cemeteries Authority (the Authority) is an independent statutory authority established on 27 September 2003 under the *Cemeteries and Crematoria Act 2003* (the Cemeteries Act). The Authority aims to effectively and efficiently manage public cemeteries and crematoria in the ACT. It manages and operates public cemeteries at Gungahlin, Woden, Hall, and the Woden Mausoleum. The Authority aims to operate these cemeteries and mausoleum sustainably on a user pays principle, and to minimise the cost to the ACT Government and community.

The key purpose of the Authority is to:

- ensure the equitable availability of interment options, and maintain burial capacity in the medium to long term for the ACT community;
- operate as an efficient Government business with a strong customer service focus; and
- adopt operating practices that safeguard the environment and the health and safety of staff and visitors.

The Authority provides a wide range of burial options in Gungahlin and Woden cemeteries to meet the needs of cultural groups that use the cemetery services. This includes encouraging the placement of ashes in specific areas or family graves. The Authority promotes the pre-purchase of cemetery services, which allows for people to arrange their affairs prior to death.

Perpetual Care Trust Arrangements

Perpetual Care Trusts (Trust) have been established for the Gungahlin Cemetery, Woden Cemetery, Woden Mausoleum and Hall Cemetery in accordance with section 9 of the Cemeteries Act. Each Trust is established for the maintenance of the cemetery or mausoleum. Public Trustee and Guardian for the ACT is the trustee of each Trust and the Authority is responsible for their management.

The Authority is required to provide to each Trust a percentage of the revenue for each burial, interment of ashes or memorialisation (the Perpetual Care Trust Percentage), and a percentage of revenue as a reserve for further maintenance and related expenditure (the Perpetual Care Trust Reserve Percentage), in accordance with the Ministerial Determination. The Authority is also required to spend these funds for maintenance of each cemetery or mausoleum in accordance with the Cemeteries Act.

The Perpetual Care Trust percentages have been determined on a 'full cost' basis – they allow for not only the direct maintenance costs but also the proportion of indirect overhead and other costs reasonably associated with the management of maintenance. The Authority has accounted for each Trust consistently with this full cost basis. In particular, revenue recognised by the Authority in relation to reimbursement of maintenance and related expenditure from each Trust is based on direct maintenance expenditure incurred plus a percentage of indirect expenditure, and limited to the amount of revenue transferred to each Trust in a given reporting period.

ACT Public Cemeteries Authority

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2019

Note 1. OBJECTIVES OF ACT PUBLIC CEMETERIES AUTHORITY

(CONTINUED)

Perpetual Care Trust Arrangements (continued)

The Trust arrangement requires each Trust to have a reserve for future maintenance and related expenditure. The funding of the reserves is also determined by the Minister for Transport and City Services by way of the Perpetual Care Trust Reserve percentages of burial revenue.

The percentages are required to be reviewed at least once every five years. The percentages were last reviewed and changed from 1 July 2017. The amount in the reserve is set aside for the purpose of long term maintenance requirements of each Cemetery and Mausoleum and cannot be accessed without Ministerial approval.

The amounts held in the Trust and Perpetual Care Trust Reserve (Reserve) were reviewed independently and the Reserve percentages have been updated accordingly.

In accordance with section 11 of the Cemeteries Act, the Perpetual Care Trust percentages determined by the Minister for Transport and City Services for the four Trusts for the period 1 July 2018 to 30 June 2019 are:

Trust	Perpetual Care Trust	Perpetual Care Trust Reserve
Gungahlin Cemetery	44.9%	6%
Woden Cemetery	33.8%	8%
Woden Mausoleum	7.8%	1%
Hall Cemetery	11.3%	63%

The above percentages were the same for the period 1 July 2017 to 30 June 2018.

ACT Public Cemeteries Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2019

Note 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

LEGISLATIVE REQUIREMENT

The *Financial Management Act 1996* (FMA) requires the preparation of annual financial statements for ACT Government agencies. The FMA and the Financial Management Guidelines issued under the FMA, requires the Authority's financial statements to include:

- (i) an Operating Statement for the year;
- (ii) a Balance Sheet at the end of the year;
- (iii) a Statement of Changes in Equity for the year;
- (iv) a Cash Flow Statement for the year;
- (v) the significant accounting policies adopted for the year; and
- (vi) other statements as necessary to fairly reflect the financial operations of the Authority during the year and its financial position at the end of the year.

These general-purpose financial statements have been prepared to comply with Australian Accounting Standards as required by the FMA. Accordingly, these financial statements have been prepared in accordance with:

- (i) Australian Accounting Standards; and
- (ii) ACT Accounting and Disclosure Policies.

ACCRUAL ACCOUNTING

The financial statements have been prepared using the accrual basis of accounting. The financial statements are prepared according to historical cost convention, except for assets held for sale, Property, Plant and Equipment and financial instruments which are valued at fair value in accordance with (re)valuation policies applicable to the Authority during the reporting period.

GOING CONCERN

The Authority is a going concern.

ACT Public Cemeteries Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2019

Note 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

CURRENCY

These financial statements are presented in Australian dollars.

INDIVIDUAL REPORTING ENTITY

The Authority is an individual reporting entity.

BUDGET FIGURES

The FMA requires the statements to facilitate a comparison with the Statement of Intent. The budget numbers are as per the Statement of Intent.

ROUNDING

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000). Use of “-” represents zero amounts or amounts rounded down to zero.

ACT Public Cemeteries Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2019

INCOME NOTES

Revenue Recognition

Revenue is recognised at the fair value of the consideration received or receivable in the Operating Statement.

Note 3. USER CHARGES

User charges revenue is derived by providing goods and services to the public. User charges revenue is legally retained by the Authority and driven by consumer demand and preferences.

Revenue is generally separated into five types: allotment, maintenance, burial, and sales of plaques and memorials. Allotment and maintenance income is recognised immediately when an allotment is paid. Burial income is recognised when the burial takes place. The sale of plaques income is recognised when an order is placed and sale of monuments or monumental permits are recognised when construction is commenced.

	2019	2018
	\$'000	\$'000
Allotment and Reservation Fees	1,298	1,284
Maintenance Fees	1,462	1,557
Memorial Fees	149	148
Burial Fees	812	776
Plaques and Vaults	439	332
Total User Charges	4,160	4,097

ACT Public Cemeteries Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2019

Note 4. REIMBURSEMENT OF MAINTENANCE AND RELATED EXPENDITURE INCURRED ON BEHALF OF THE PERPETUAL CARE TRUSTS

The Authority draws funds from the Trusts to reimburse expenditure incurred in the maintenance of the burial and allotment sites. The Authority is reimbursed on a full cost basis.

As described in Note 1. Objectives of the ACT Public Cemeteries Authority, the reimbursement is limited to the amount of revenue transferred to each Trust in a given reporting period.

Significant judgement has been applied in estimating the costs relating to maintenance and related expenditure incurred on behalf of the Trusts. The estimate is calculated based on a combination of direct costs and percentage of indirect costs relating to the maintenance of each Trust.

	2019 \$'000	2018 \$'000
Woden Cemetery Perpetual Care Trust	625	671
Woden Mausoleum Perpetual Care Trust	17	24
Gungahlin Cemetery Perpetual Care Trust ^a	927	800
Hall Cemetery Perpetual Care Trust	3	2
Total Reimbursement of Maintenance and Related Expenditure Incurred on Behalf of the Perpetual Care Trusts	1,572	1,497

- a. The amounts represent the reimbursement received by the Authority from each Perpetual Care Trust for maintenance and related expenditure paid by the Authority on behalf of each Perpetual Care Trust. Reimbursement from the PCT to the Authority for maintenance was the same as the contribution transferred to the PCT during the year which is calculated as a percentage of burial revenue. Burial revenue was higher in 2019.

ACT Public Cemeteries Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2019

EXPENSES NOTES

Note 5. EMPLOYEE EXPENSES

	2019	2018
	\$'000	\$'000
Wages and Salaries ^a	1,286	1,068
Annual Leave Expense	87	88
Long Service Leave Expense	40	25
Fringe Benefits Tax	38	37
Workers' Compensation Insurance Premium	157	177
Employee Expenses	1,608	1,395
Amounts capitalised as:		
Inventories	(12)	(17)
Total Employee Expenses	1,596	1,378

- a. The 2018 comparatives have been adjusted by \$279k to reclassify contract labour hire costs from Employee Expenses to Supplies and Services. The Wages and Salaries increased as a result of filling vacant positions and the back filling of staff on leave.

ACT Public Cemeteries Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2019

Note 6. SUPPLIES AND SERVICES

	2019 \$'000	2018 \$'000
Grounds Maintenance	136	133
Water Charges	202	171
Repairs and Maintenance	103	82
Handling Fees to Funeral Directors	58	56
Insurance and Security	42	49
Audit Fees ^a	114	135
Accounting	105	107
Motor Vehicle Expenses	20	20
Contractor, Consultants and Legal Fees ^b	192	299
Irrigation, Electricity and Cleaning	60	63
Tools and Computer Consumables	49	37
Board Fees and Charges	74	56
Other	95	73
Total Supplies and Services	1,250	1,281

- a. The Authority paid \$77k in 2018 and \$79k is payable in 2019 to the ACT Audit Office
- b. Contractor costs have decreased as a result of a reduction in contractor labour hire staff utilised to backfill staff on leave. The 2018 comparatives have been adjusted by \$279k to reclassify contract labour hire costs from Employee Expenses to Supplies and Services.

ACT Public Cemeteries Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2019

Note 7. DEPRECIATION AND AMORTISATION

Depreciation is applied to physical assets such as Buildings, Infrastructure Assets, and Plant and Equipment. Amortisation is used in relation to intangible assets such as software and licences.

Land has an unlimited useful life and is therefore not depreciated.

All depreciation is calculated after first deducting any residual values, which remain for each asset.

Depreciation/Amortisation for non-current assets is determined as follows:

Class of Asset	Depreciation / Amortisation Method	Useful Life (Years)
Buildings	Straight Line	10-100
Property Improvements	Straight Line	20-40
Roadways	Straight Line	10-20
Landscaping	Straight Line	10-20
Plant and Equipment	Straight Line	2-50
Motor Vehicles	Diminishing Value	5-10
Computer Software	Straight Line	4

The useful lives of all major assets held are reassessed on an annual basis.

	2019 \$'000	2018 \$'000
Depreciation		
Buildings	43	40
Property Improvements	51	49
Roadways	47	46
Landscaping	14	14
Plant and Equipment ^a	66	121
Motor Vehicles	22	30
Total Depreciation	243	300
Amortisation		
Intangible Assets	1	2
Total Amortisation	1	2
Total Depreciation and Amortisation ^a	244	302

a. The decrease is due to a number of assets which are fully depreciated.

ACT Public Cemeteries Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2019

Note 8. COST OF SALES

Interment Sites – direct costs incurred in the creation of a site for interment, e.g. a mausoleum crypt, a lawn beam, an ashes garden and cost to install a vault in a site.

Burial Cost – cost to prepare a site and inter a deceased person or ashes.

Plaques and Memorials – costs to procure and install plaques and stone memorials.

	2019	2018
	\$'000	\$'000
Interment Sites	157	177
Burial Costs	82	101
Plaques	111	97
Memorials	69	54
Total Cost of Sales	419	430

ACT Public Cemeteries Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2019

Note 9. TRANSFERS TO THE PERPETUAL CARE TRUSTS

These transfers represent the percentage of revenue transferred to the Trusts that the Authority is required to provide in accordance with Ministerial Determination (Disallowable Instrument DI2017-47).

	2019 \$'000	2018 \$'000
Woden Cemetery Perpetual Care Trust	773	829
Woden Mausoleum Perpetual Care Trust	20	27
Gungahlin Cemetery Perpetual Care Trust ^a	1,050	907
Hall Cemetery Perpetual Care Trust	18	15
Total Transfers to the Perpetual Care Trusts	1,861	1,778

- a. The revenue contribution to the trusts has increased in 2019 as a result of increased burial revenue.

Transfers 2019	Woden Cemetery \$'000	Woden Mausoleum \$'000	Gungahlin Cemetery \$'000	Hall Cemetery \$'000
Perpetual Care Trust	625	18	926	3
Perpetual Care Trust Reserve	148	2	124	15
Total Transfers	773	20	1,050	18

Transfers 2018	Woden Cemetery \$'000	Woden Mausoleum \$'000	Gungahlin Cemetery \$'000	Hall Cemetery \$'000
Perpetual Care Trust	671	24	800	2
Perpetual Care Trust Reserve	158	3	107	13
Total Transfers	829	27	907	15

ACT Public Cemeteries Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2019

Note 10. OTHER EXPENSES

	2019 \$'000	2018 \$'000
Expensing of Inventories and Capital Works in Progress ^a	252	77
Other	-	2
Total Other Expenses	252	79

- a. Capital Works in Progress relating to the Master Plan for Southern Memorial Park \$160k (2018, \$14k) and Hall undeveloped land \$92k were expensed.

ASSETS NOTES

ASSETS – CURRENT & NON-CURRENT

Assets are classified as current where they are expected to be realised within 12 months after the reporting date. Assets which do not fall within the current classification are classified as non-current.

Note 11. CASH AND CASH EQUIVALENTS

Cash includes Cash at Bank, Cash on Hand and on demand deposits. Cash Equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

The Authority holds a number of bank accounts with the Westpac Bank as part of whole of government banking arrangements. The Authority receives interest on these accounts.

In addition, the Authority holds 'on demand' deposit directly with St George Bank that earned an average fixed interest rate of 2.25% (2.15% in 2017-18).

The Authority also has funds invested in the ACT Public Trustee and Guardian. These funds earned an average floating interest rate of 2.65% (2.54% in 2017-18).

	2019 \$'000	2018 \$'000
Cash at Bank ^a	2,044	1,306
Short-Term Bank Deposits	922	899
Public Trustee and Guardian Cash Common Fund	6,083	5,924
Total Cash and Cash Equivalents	9,049	8,129

- a. The increase is a result of revenue received in advance for interments.

ACT Public Cemeteries Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2019

Note 12. INVENTORIES

Inventories include goods and land allocated for interment purposes held for sale, or for consumption in the ordinary course of business operations. It excludes depreciable assets. Inventories are valued at the lower of cost and net realisable value. The cost of land allocated for interment purposes is assigned on the basis of weighted average cost and includes adjacent land and landscaping that add to the amenity of the land for interment. Cost also includes ground staff time costs incurred in making the interment land ready for sale.

Net realisable value is determined using the estimated sales proceeds less costs incurred in marketing, selling and distribution to customers.

Inventories acquired for no cost or nominal consideration is measured at current replacement cost at the date of acquisition.

Inventories held for distribution are measured at cost, adjusted when applicable, for any loss of service potential and recorded in the Operating Statement.

Inventories are classified as either Work in Progress or Finished Goods. Work in Progress includes undeveloped land and expenditure on inventories partially constructed, but not available for sale. Finished Goods are inventories available for sale to customers including land to be used for interment purposes.

Inventories expected to be sold or utilised within 12 months are recorded as current inventories, with the balance as non-current inventories. In general, this is a 10% to 90% split between current and non-current inventories based on prior year trends.

ACT Public Cemeteries Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2019

Note 12. INVENTORIES (CONTINUED)

	2019 \$'000	2018 \$'000
Current Inventories		
Finished Goods		
Land: Interment Purposes	42	47
Mausoleum Crypts and Wall Niches	198	206
Total Finished Goods	240	253
Non-Current Inventories		
Work in Progress/Undeveloped		
Land: Interment Purposes ^a	409	509
Total Work In Progress/Undeveloped	409	509
Finished Goods		
Land: Interment Purposes	379	421
Mausoleum Crypts and Wall Niches	1,785	1,852
Total Finished Goods	2,164	2,272
Total Non-Current Inventories	2,573	2,781
Total Inventories	2,813	3,034

- a. The decrease in work in progress is a result of Hall undeveloped land being not suitable for development due to environmental issues.

ACT Public Cemeteries Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2019

Note 13. PROPERTY, PLANT AND EQUIPMENT

ACQUISITION AND RECOGNITION OF PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment assets are initially recorded at cost.

Where Property, Plant and Equipment assets are acquired at no cost, or minimal cost, cost is its fair value as at the date of acquisition.

Property, Plant and Equipment with a value greater than \$1,000 is capitalised.

MEASUREMENT OF PROPERTY, PLANT AND EQUIPMENT AFTER INITIAL RECOGNITION

Property, Plant and Equipment assets are measured at fair value.

Property, Plant and Equipment is revalued every three years. However, if at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place. Any Accumulated Depreciation relating to depreciable Property, Plant and Equipment at the date of revaluation is written back against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Property, Plant and Equipment assets are recorded at the market value of similar items or depreciated replacement cost as determined by an independent valuer. In some circumstances, buildings that are purpose built may in fact realise more or less in the market. The Authority uses its understanding of current market conditions, as well as comparisons to the value of Property, Plant and Equipment at similar organisations to estimate fair value. The fair value of assets is subject to management assessment between valuation reports.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES - FAIR VALUE OF ASSETS

The Authority has made a significant estimate regarding the fair value of its assets. Land and Buildings have been recorded at the market value of similar properties as determined by an independent valuer. In some circumstances, buildings that are purpose built may in fact realise more or less in the market. Infrastructure Assets have been recorded at fair value based on current replacement cost as determined by an independent valuer. The valuation uses significant judgements and estimates to determine fair value, including the appropriate indexation figure and quantum of assets held. The fair value of assets is subject to management assessment between formal valuations.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES – USEFUL LIVES OF PROPERTY PLANT AND EQUIPMENT

The Authority has made an estimate in determining the useful lives of its Property, Plant and Equipment. The estimation of useful lives of Property, Plant and Equipment is based on the historical experience of similar assets and in some cases has been based on valuations provided by independent valuers. The useful lives are assessed on an annual basis and adjustments are made when necessary.

ACT Public Cemeteries Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2019

Note 13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Land including land under roads: The Authority values land under roads at fair value, which is the market value as estimated by an independent valuer. The valuation takes into account the physical and legal permissible use in addition to the current use, alternative use and heritage status of the land. The value of the land under roads is recognised in the total value of Land recorded in Property, Plant and Equipment.

IMPAIRMENT OF ASSETS

The Authority assesses, at each reporting date, whether there is any indication that an asset may be impaired. Assets are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Any resulting impairment losses for Property, Plant and Equipment are recognised as a decrease in the Asset Revaluation Surplus relating to these classes of assets. This is because these asset classes are measured at fair value and have an Asset Revaluation Surplus attached to them. Where the impairment loss is greater than the balance in the Asset Revaluation Surplus for the relevant class of asset, the difference is expensed in the Operating Statement. The carrying amount of the asset is reduced to its recoverable amount.

Non-financial assets that have previously been impaired are reviewed for possible reversal of impairment at each reporting date.

Property, Plant and Equipment includes the following classes of assets – Land, Buildings, Property Improvements, Roadways, Landscaping, Plant and Equipment and Motor Vehicles. The Property, Plant and Equipment class does not include assets held for sale.

- **Land** includes freehold land and land under roads.
- **Buildings** include office buildings, workshops and site improvements. Site Improvements are additions to areas of land that increase the utility of the land and have a limited useful life and are depreciated.
- **Infrastructure Assets** include roadways and landscaping.
- **Property Improvements** represent capital expenditure incurred in relation to site improvements.
- **Plant and Equipment** includes various gardening and power tools and office equipment.
- **Motor Vehicles** include motor vehicles held by the Authority.

Revaluations were undertaken as at 30 June 2017 for Plant and Equipment using the market value method, and for Land, Buildings, Infrastructure Assets, Property Improvements and Motor Vehicles using the depreciated replacement cost method.

ACT Public Cemeteries Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2019

Note 13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	2019 \$'000	2018 \$'000
Land and Buildings		
Land at Fair Value	47	47
Total Land Assets	47	47
Buildings at Fair Value	1,615	1,583
Less: Accumulated Depreciation	(83)	(41)
Total Written Down Value of Buildings	1,532	1,542
Total Land and Written Down Value of Buildings	1,579	1,589
Property Improvements		
Property Improvements at Fair Value ^a	795	676
Less: Accumulated Depreciation	(99)	(49)
Total Written Down Value of Property Improvements	696	627

a. The increase in property improvements is a result of irrigation system purchases.

ACT Public Cemeteries Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2019

Note 13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	2019 \$'000	2018 \$'000
Infrastructure		
Roadways at Fair Value	1,029	1,023
Less: Accumulated Depreciation	(93)	(47)
Total Written Down Value of Roadways	936	976
Landscaping at Fair Value	875	875
Less: Accumulated Depreciation	(28)	(14)
Total Written Down Value of Landscaping	847	861
Total Written Down Value of Infrastructure	1,783	1,837
Plant and Equipment		
Plant and Equipment at Fair Value	367	296
Less: Accumulated Depreciation	(183)	(117)
Total Written Down Value of Plant and Equipment	184	179
Motor Vehicles		
Motor Vehicles at Fair Value	128	128
Less: Accumulated Depreciation	(47)	(24)
Total Written Down Value of Motor Vehicles	81	104
Total Written Down Value of Property, Plant and Equipment	4,323	4,336

ACT Public Cemeteries Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2019

Note 13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of Property, Plant and Equipment

The following table shows the movement of Property, Plant and Equipment during 2018-19.

Year ended 30 June 2019									
Carrying Amount at the Beginning of the Reporting Period									
	47	1,543	627	976	861	178	104	4,336	
Additions	-	32	120	7	-	72	-	231	
Depreciation	-	(43)	(51)	(47)	(14)	(66)	(23)	(244)	
Carrying Amount at the End of the Reporting Period									
	47	1,532	696	936	847	184	81	4,323	

The following table shows the movement of Property, Plant and Equipment during 2017-18.

Year ended 30 June 2018									
Carrying Amount at the Beginning of the Reporting Period									
	Land	Buildings	Property Improvements	Roadways	Landscaping	Plant and Equipment	Motor Vehicles	Total	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
	47	1,503	651	1,022	875	223	60	4,381	
Additions	-	80	25	-	-	83	108	296	
Depreciation	-	(40)	(49)	(46)	(14)	(121)	(30)	(300)	
Disposals	-	-	-	-	-	(7)	(34)	(41)	
Carrying Amount at the End of the Reporting Period									
	47	1,543	627	976	861	178	104	4,336	

ACT Public Cemeteries Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2019

Note 13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Fair Value Hierarchy

The Fair Value Hierarchy below reflects the significance of the inputs used in determining fair value. The Fair Value Hierarchy is made up of the following three levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Authority can access at the measurement date;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for asset or liability, either directly or indirectly; and
- Level 3 – inputs that are unobservable for particular assets or liabilities.

Details of Property, Plant and Equipment at fair value and information about the Fair Value Hierarchy as at 30 June are as follows:

Classification According to the Fair Value Hierarchy 2019				
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
2019				
Property, Plant and Equipment				
Land	-	-	47	47
Buildings	-	-	1,532	1,532
Property Improvements	-	-	696	696
Infrastructure Assets	-	-	1,783	1,783
Plant and Equipment	-	184	-	184
Motor Vehicles	-	81	-	81
Total	-	265	4,058	4,323

Classification According to the Fair Value Hierarchy 2018				
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
2018				
Property, Plant and Equipment				
Land	-	-	47	47
Buildings	-	-	1,542	1,542
Property Improvements	-	-	627	627
Infrastructure Assets	-	-	1,837	1,837
Plant and Equipment	-	179	-	179
Motor Vehicles	-	104	-	104
Total	-	283	4,053	4,336

ACT Public Cemeteries Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2019

Note 13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Valuation Techniques, Inputs and Processes

Level 2 Valuation Techniques and Inputs

Valuation Technique: the valuation technique used to value Plant and Equipment is the market approach that reflects recent transaction prices for similar Plant and Equipment.

Level 3 Valuation Techniques and Significant Unobservable Inputs

Valuation Technique: Land where there is no active market or significant restrictions is valued through the market approach.

Significant Unobservable Inputs: selecting land with similar approximate utility. In determining the value of land with similar approximate utility, significant adjustment to market based data was required.

In determining the value of Land, sales of vacant land with a similar specialised nature and similar restrictive zonings and crown lease purpose clauses have been used for the square metre rate. Given the specialised nature of the property including that the land would have limited alternate use is impacted by restrictive zoning and heritage listing, a lower nominal value was deemed appropriate. The land fair value has been significantly reduced to incorporate the market based data.

Valuation Technique: the valuation of Buildings, Property Improvements and Infrastructure Assets were measured using the cost or depreciated replacement costs approach.

Significant Unobservable Inputs: estimating the cost to a market participant to construct assets of comparable utility adjusted for obsolescence. For buildings, historical cost per square metre of floor area was also used in measuring fair value. For infrastructure assets the historical costs per cubic metre was also used in measuring fair value. The valuation of Buildings, Property Improvements, Roadways, and Landscaping was performed by comparing prices and other relevant information generated by market transactions involving comparable land and buildings. Regard was taken of the Crown Lease terms and tenure, The Australian Capital Territory Plan and the National Capital Plan, where applicable, as well as current zoning. Regard was given to the age and condition of the assets, their estimated replacement cost and current use. This required the use of data internal from the Authority.

Transfers in and out of a fair value level are recognised on the date of the event or change in circumstances that caused the transfer.

ACT Public Cemeteries Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2019

Note 13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Fair Value Measurements using Significant Unobservable Inputs (Level 3)

	Land \$'000	Buildings \$'000	Property Improvements \$'000	Infrastructure Assets \$'000
2019				
Fair Value at the Beginning of the Reporting Period	47	1,543	627	1,837
Additions	-	32	120	7
Depreciation	-	(43)	(51)	(61)
Fair Value at the End of the Reporting Period	47	1,532	696	1,783
2018				
Fair Value at the Beginning of the Reporting Period	47	1,503	651	1,897
Additions	-	80	25	-
Depreciation	-	(40)	(49)	(60)
Fair Value at the End of the Reporting Period	47	1,543	627	1,837

ACT Public Cemeteries Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2019

Note 14. CAPITAL WORKS IN PROGRESS

Capital Works in Progress are assets under construction over more than one reporting period, and are initially recorded at cost. These assets often require extensive installation work or integration with other assets, in contrast with more simple assets that are ready for use when acquired, for example, motor vehicles and equipment. Capital Works in Progress assets are not depreciated until completion and transfer to Property, Plant and Equipment.

	2019 \$'000	2018 \$'000
Reconciliation of Capital Works in Progress		
Carrying Amount at the Beginning of the Reporting Period	603	651
Transfer to Expenditure ^a	(160)	(40)
Transfer to Property, Plant and Equipment	-	(8)
Carrying Amount at the End of the Reporting Period	443	603

- a. The increase is a result of expensing costs associated with the Master Plan for Southern Memorial Park arising from the annual review for any impairment.

ACT Public Cemeteries Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2019

LIABILITIES NOTES

LIABILITIES – CURRENT AND NON-CURRENT

Liabilities are classified as current when they are due to be settled within 12 months after the reporting date or the Authority does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Liabilities which do not fall within the current classification are classified as non-current.

Note 15. PAYABLES

Payables are initially recognised at fair value based on the transaction cost and subsequent to initial recognition at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement. All amounts are normally settled within thirty days after the invoice date.

	2019 \$'000	2018 \$'000
Current Payables		
Trade Payables	24	19
Accrued Payables	108	153
Goods and Services Tax Payables	149	175
Total Current Payables (excluding Perpetual Care Trust Payables)	281	347
Perpetual Care Trust Payables		
Woden Cemetery Perpetual Care Trust	19	30
Woden Mausoleum Cemetery Perpetual Care Trust	-	1
Gungahlin Cemetery Perpetual Care Trust	20	13
Hall Cemetery Perpetual Care Trust	(3)	2
Total Perpetual Care Trust Payables	36	46
Total Current Payables	317	393
Total Payables	317	393
Payables are aged as follows:		
Not Overdue	317	393
Total	317	393

ACT Public Cemeteries Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2019

Note 15. PAYABLES (CONTINUED)

	2019 \$'000	2018 \$'000
Classification of ACT Government/Non-ACT Government		
Payables with ACT Government Entities		
Trade Payables	10	-
Other Payables	105	151
Total Payables with ACT Government Entities	115	151
Payables with Non-ACT Government Entities		
Trade Payables	14	19
Other Payables	3	2
Goods and Services Tax Payables	149	175
Other Payables - Perpetual Care Trusts	36	46
Total Payables with Non-ACT Government Entities	202	242
Total Payables	317	393

Note 16. EMPLOYEE BENEFITS

WAGES AND SALARIES

Accrued Wages and Salaries are measured at the amount that remains unpaid to employees at the end of the reporting period.

ANNUAL AND LONG SERVICE LEAVE

Annual and Long Service Leave including applicable on-costs that are not expected to be wholly settled before 12 months after the end of the reporting period when the employees render the related service, are measured at the present value of estimated future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to the future wage and salary levels, experience of employee departures and periods of service. At the end of each reporting period, the present value of future Annual Leave and Long Service Leave payments is estimated using market yields on Commonwealth Government bonds with terms to maturity that match, as closely as possible, the estimated future cash flows.

Annual Leave liabilities have been estimated on the assumption they will be wholly settled within three years. In 2018-19 the rates used to estimate the present value of future obligations:

- Annual Leave is 101.6% (99.7% in 2017-18); and
- Long Service Leave is 110.1% (100.9% in 2017-18).

ACT Public Cemeteries Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2019

Note 16. EMPLOYEE BENEFITS (CONTINUED)

The Long Service Leave liability is estimated with reference to the minimum period of qualifying service. For employees with less than the required minimum period of seven years of qualifying service, the probability that employees will reach the required minimum period has been taken into account in estimating the provision for Long Service Leave and applicable on-costs.

The Provision for Annual Leave and Long Service Leave includes estimated on-costs. As these on-costs only become payable if the employee takes annual and Long Service Leave while in-service, the probability that employees will take Annual and Long Service Leave while in service has been taken into account in estimating the liability for on-costs.

Annual Leave and Long Service Leave liabilities are classified as current liabilities in the Balance Sheet where there are no unconditional rights to defer the settlement of the liability for at least 12 months. Conditional Long Service Leave liabilities are classified as non-current because the Authority has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

SIGNIFICANT JUDGEMENTS AND ESTIMATES – EMPLOYEE BENEFITS

Significant judgements have been applied in estimating the liability for Employee Benefits. The estimated liability for Annual and Long Service Leave requires a consideration of the future wage and salary levels, experience of employee departures, probability that leave will be taken in service and periods of service. The estimate also includes an assessment of the probability that employees will meet the minimum service period required to qualify for Long Service Leave and that on-costs will become payable.

The significant judgements and assumptions included in the estimation of Annual and Long Service Leave liabilities include an assessment by an actuary. The Australian Government Actuary performed this assessment in April 2019. The next actuarial review is expected to be undertaken in early 2022.

ACT Public Cemeteries Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2019

Note 16. EMPLOYEE BENEFITS (CONTINUED)

	2019 \$'000	2018 \$'000
Current Employee Benefits		
Annual Leave	147	167
Long Service Leave	416	391
Accrued Salaries	17	19
Other Employee Benefits	2	3
Total Current Employee Benefits	582	580
Non-Current Employee Benefits		
Long Service Leave	19	21
Total Non-Current Employee Benefits	19	21
Total Employee Benefits	601	601
Estimate of When Leave is Payable		
Estimated Amount Payable within 12 Months		
Annual Leave	15	17
Long Service Leave	44	41
Accrued Salaries	17	19
Other Employee Benefits	2	3
Total Employee Benefits Payable within 12 Months	78	80
Estimated Amount Payable after 12 Months		
Annual Leave	132	150
Long Service Leave	391	371
Total Employee Benefits Payable after 12 Months	523	521
Total Employee Benefits	601	601
Full-time equivalent employees as at 30 June	16	16

ACT Public Cemeteries Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2019

Note 17. REVENUE RECEIVED IN ADVANCE

Revenue Received in Advance is recognised as a liability if there is a present obligation to return the funds received, otherwise all receipts are recorded as revenue.

	2019 \$'000	2018 \$'000
Current Revenue Received In Advance		
Burial Fees Received in Advance	6,657	6,272
Plaque Fees Received in Advance	1,256	1,285
Total Current Revenue Received in Advance	7,913	7,557

Estimate of When Revenue Received in Advance will be Recognised as Revenue

	2019 \$'000	2018 \$'000
Estimated Revenue Received in Advance Recognised as Revenue within 12 Months		
Burial Fees Received in Advance	666	627
Plaque Fees Received in Advance	126	129
Total Estimated Revenue Received in Advance Recognised as Revenue within 12 Months	792	756

Estimated Revenue Received in Advance Recognised as Revenue after 12 Months

Burial Fees Received in Advance	5,991	5,644
Plaque Fees Received in Advance	1,130	1,157
Total Estimated Revenue Received in Advance Recognised as Revenue after 12 Months	7,121	6,801

Total Revenue Received in Advance	7,913	7,557
--	--------------	--------------

ACT Public Cemeteries Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2019

Note 18. FINANCIAL INSTRUMENTS

Interest Rate Risk

Interest Rate Risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

A significant portion of financial assets are held in floating interest rate arrangements. Interest rate risk for these assets is managed by only investing in floating interest rate investments that are low risk.

The Authority is exposed to movements in interest receivable. Interest rates increased and an increase in the average cash balances led to the Authority receiving increased interest revenue.

All financial liabilities are non-interest bearing, therefore the Authority is not exposed to movements in interest payable.

There have been no changes in risk exposure or processes for managing risk since the last reporting period.

Sensitivity Analysis

A sensitivity analysis has not been undertaken for the interest rate risk of the Authority as it has been determined that the possible impact on income and expenses or total equity from fluctuations in interest rates is immaterial.

Credit Risk

Credit Risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Authority's credit risk is limited to the amount of the financial assets it holds net of any allowance for impairment. The Authority expects to collect all financial assets that are not past due or impaired.

The Authority holds its cash and cash equivalents with the Westpac Bank, St George Bank and the Public Trustee and Guardian for the ACT. There is insignificant credit risk for funds held with the Westpac Bank, St George and the ACT Public Trustee and Guardian. The Authority manages credit risk by investing only with Approved Deposit Funds (funds that are regulated by the Australian Prudential Regulation Authority (APRA)).

The Authority also manages credit risk for the Trusts and is confident that the actuarial model by which each Trust receives revenue will enable the Trusts to continue to operate and meet their obligations in the long term.

There have been no significant changes in credit risk exposure or processes for managing credit risk since the last reporting period.

ACT Public Cemeteries Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2019

Note 18. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity Risk

Liquidity Risk is the risk that the Authority will encounter difficulties in meeting obligations associated with its liabilities that are settled by delivering cash or another financial asset.

The Authority's exposure to Liquidity Risk and the management of this risk has not changed since the previous reporting period.

Fair Value of Financial Assets and Liabilities

The carrying amount of Financial Assets and Liabilities at the end of the reporting period are:

	Carrying Amount 2019 \$'000	Carrying Amount 2018 \$'000
Financial Assets		
Cash and Cash Equivalents	9,049	8,129
Receivables	45	32
Total Financial Assets	9,094	8,161
Financial Liabilities		
Payables	169	219
Borrowings	37	-
Total Financial Liabilities	206	219

The fair value of financial assets and liabilities approximates its carrying amount.

Non-Interest Bearing amounts reflected as Receivables is calculated by taking the total Receivable amounts less Goods and Services Tax Receivable.

Non-Interest Bearing amounts reflected as Payables are calculated by taking the total Payable amounts less Goods and Services Tax Payable.

ACT Public Cemeteries Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2019

Note 18. FINANCIAL INSTRUMENTS (CONTINUED)

The following table sets out the Authority's maturity analysis for the Financial Assets and Liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period at 30 June 2019. Except for Non-Current Payables, Financial Assets and Liabilities which have a floating interest rate, or are non-interest bearing, will mature in one year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

	Note No.	Weighted Average Effective Interest Rate %	Floating Interest Rate 2019 \$'000	Fixed Interest Maturing In:			Non-Interest Bearing \$'000	Total \$'000
				1 Year or Less \$'000	Over 1 Year to 5 Years \$'000	Over 5 Years \$'000		
Financial Assets								
Cash and Cash Equivalents	11	2.55	8,128	922	-	-	-	9,049
Receivables			-	-	-	-	45	45
Total Financial Assets			8,128	922	-	-	45	9,094
Financial Liabilities								
Payables			-	-	-	-	169	169
Borrowings							37	37
Total Financial Liabilities			-	-	-	-	206	206

ACT Public Cemeteries Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2019

Note 18. FINANCIAL INSTRUMENTS (CONTINUED)

The following table sets out the Authority's maturity analysis for the Financial Assets and Liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period at 30 June 2018. Except for Non-Current Payables, Financial Assets and Liabilities which have a floating interest rate, or are non-interest bearing, will mature in one year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

	Note No.	Weighted Average Effective Interest Rate %	Floating Interest Rate 2018 \$'000	Fixed Interest Maturing In:			Non-Interest Bearing \$'000	Total \$'000
				1 Year or Less \$'000	Over 1 Year to 5 Years \$'000	Over 5 Years \$'000		
Financial Assets								
Cash and Cash Equivalents	11	2.43	7,230	899	-	-	-	8,129
Receivables			-	-	-	-	32	32
Total Financial Assets			7,230	899	-	-	32	8,161
Financial Liabilities								
Payables			-	-	-	-	219	219
Total Financial Liabilities			-	-	-	-	219	219
Net Financial Assets / (Liabilities)			7,230	899	-	-	(187)	7,942

ACT Public Cemeteries Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2019

Note 18. FINANCIAL INSTRUMENTS (CONTINUED)

	2019 \$'000	2018 \$'000
Carrying Amount of Each Category of Financial Asset and Financial Liability		
Financial Assets		
Financial Assets Measured at Amortised Cost	45	32
Financial Liabilities		
Financial Liabilities Measured at Amortised Cost	206	219

There are no Gains/Losses on Financial Assets or Financial Liabilities.

Note 19. CASH FLOW RECONCILIATION

(a) Reconciliation of Cash and Cash Equivalents at the End of the Reporting Period in the Cash Flow Statement to the Equivalent items in the Balance Sheet

	2019 \$'000	2018 \$'000
Total Cash and Cash Equivalents recorded in the Balance Sheet	9,049	8,129
Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Cash Flow Statement	9,049	8,129

ACT Public Cemeteries Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2019

Note 19. CASH FLOW RECONCILIATION (CONTINUED)

(b) Reconciliation of Operating Surplus to Net Cash Inflows from Operating Activities

	2019 \$'000	2018 \$'000
Operating Surplus	220	481
Add Non - Cash Items		
Depreciation	243	300
Amortisation	1	2
Expense of Capital Work in Progress	160	40
Add/(Less) Items Classified as Investing or Financing		
Net (Gain) on Disposal of Non-Current Assets	(1)	(20)
Cash Before Changes in Operating Assets and Liabilities	623	803
Changes in Operating Assets and Liabilities		
(Increase) in Receivables	(11)	(2)
Decrease in Inventories	221	172
(Increase) / Decrease in Prepayments	(1)	11
(Decrease) in Payables	(74)	(62)
Increase in Employee Benefits	-	48
Increase in Revenue Received in Advance	356	517
Net Changes in Operating Assets and Liabilities	491	684
Net Cash Inflows from Operating Activities	1,114	1,487

ACT Public Cemeteries Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2019

Note 20. RELATED PARTY DISCLOSURES

A related party is a person who controls or has significant influence over the reporting entity, or is a member of the Key Management Personnel (KMP) of the reporting entity or its parent entity, and includes their close family members and entities in which the KMP and/or their close family members individually or jointly have controlling interests.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Authority, directly or indirectly.

KMP of the Authority are the Portfolio Minister, the Authority Board and Chief Executive Officer.

The Head of Service and the ACT Executive comprising the Cabinet Ministers are KMP of the ACT Government and therefore related parties of the Authority.

This Note does not include typical citizen transactions between the KMP and the Authority that occur on terms and conditions no different to those applying to the general public.

(A) CONTROLLING ENTITY

The Authority is an ACT Government controlled entity.

(B) KEY MANAGEMENT PERSONNEL

Compensation of Key Management Personnel

Compensation of all Cabinet Ministers, including the Portfolio Minister, is disclosed in the note on related party disclosures included in the ACT Executive's Financial Statements for the year ended 30 June 2019.

Compensation of the Head of Service is included in the note on related party disclosures included in the Chief Minister, Treasury and Economic Development Directorate's (CMTEDD) Financial Statements for the year ended 30 June 2019.

Compensation by the Authority to KMP is set out below.

	2019	2018
	\$'000	\$'000
Short-term employee benefits	165	149
Post employment benefits	32	30
Other long-term benefits	4	3
Board member fees	60	50
Total Compensation by The Authority to KMP	261	232

(C) TRANSACTIONS WITH OTHER ACT GOVERNMENT CONTROLLED ENTITIES

All transactions with ACT Government controlled entities are disclosed in the relevant Notes to the Financial Statements of the Authority.

ACT Public Cemeteries Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2019

Note 21. BUDGETARY REPORTING

SIGNIFICANT JUDGEMENTS AND ESTIMATES

Significant judgements have been applied in determining what variances are considered 'major variances'. Variances are considered major if both of the following criteria are met:

- the line item is a significant line item: where either the line item actual amount accounts for more than 10% of the relevant associated category (Income, Expenses and Equity totals) or more than 10% of the sub-element (e.g. Current Liabilities and Receipts from Operating Activities totals) of the Financial Statements; and
- the variances (original budget to actual) are greater than plus (+) or minus (-) 10% of the budget for the Financial Statement line item.

Original Budget refers to the amounts presented to the Legislative Assembly in the original 2018-19 Budgeted Financial Statements.

ACT PUBLIC CEMETERIES AUTHORITY

**Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2019**

Note 21. BUDGETARY REPORTING (CONTINUED)

Operating Statement Line Item	Actual 2018-19 \$'000	Budget 2018-19 \$'000	Variance \$'000	Variance %	Variance Explanation
Supplies and Services	1,250	1,020	230	23	The variance is due to contractor labour hire costs which were budgeted as employee costs. Water usage costs have increased due to limited rainfall, high temperatures and new turf requiring additional watering to establish.
Balance Sheet Line Item					
Cash and Cash Equivalents	9,049	8,095	954	12	Cash and Cash Equivalents are higher than estimated as a result of higher cash receipts for allotment sales and Revenue Received in Advance
Cash Flow Statement Line Items					
Receipts					
User Charges - Non-ACT Government	4,502	4,044	458	11	User Charges receipts are higher than budgeted as a result of higher sales
Payments					
Supplies and Services	1,435	1,047	388	37	The variance is due to increased water consumption as a result of low dam levels and contractor labour hire which was budgeted as employee costs.
Property, Plant and Equipment	231	350	(119)	(34)	Roadworks which were estimated in the budget have been deferred to 2019-20.

ACT PUBLIC CEMETERIES AUTHORITY

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2019

Note 22. IMPACT OF ACCOUNTING STANDARDS ISSUED BUT YET TO BE APPLIED

The new and revised Accounting Standards and Interpretations that have been issued by the Australian Accounting Standards Board (AASB) are applicable to future reporting periods. The Authority assessed that none of the new Standards and Interpretations would have a significant impact on the Authority's Financial Statements and does not intend to adopt them early.

INDEPENDENT AUDITOR'S REPORT

GUNGAHLIN CEMETERY, HALL CEMETERY, WODEN CEMETERY AND WODEN MAUSOLEUM PERPETUAL CARE TRUSTS

To the Members of the ACT Legislative Assembly

Opinion

I have audited the special purpose financial statement (financial statement) of the Gungahlin Cemetery, Hall Cemetery, Woden Cemetery and Woden Mausoleum Perpetual Care Trusts (the Trusts) for the year ended 30 June 2019. The financial statement comprise operating statements, balance sheets, statements of changes in equity, cash flow statements for the Trusts and accompanying notes.

In my opinion, the financial statement:

- (i) is presented in accordance with the financial reporting requirements of the *Cemeteries and Crematoria Act 2003* as described in Note 1 a) of the financial statement; and
- (ii) presents fairly the financial position of the Trusts and results of their operations and cash flows.

Basis for opinion

I conducted the audit in accordance with the Australian Auditing Standards. My responsibilities under the standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of this report.

I am independent of the Perpetual Care Trusts in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code). I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

Without modifying the audit opinion, I draw attention to Note 1 a) of the financial statement which describes the purpose of the financial statement and the basis of accounting used to prepare the financial statement.

The special purpose financial statement for the Trusts has been prepared to fulfil financial reporting responsibilities under the *Cemeteries and Crematoria Act 2003*. As a result, these financial statement may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Responsibility for preparing and fairly presenting the financial statement

The Governing Board of the ACT Public Cemeteries Authority (the Governing Board) is responsible for:

- preparing and fairly presenting the financial statement in accordance with the financial reporting requirements of the *Cemeteries and Crematoria Act 2003*;
- determining the internal controls necessary for the preparation and fair presentation of financial statement so that they it is free from material misstatements, whether due to error or fraud; and
- assessing the ability of the Trusts to continue as a going concern and disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting in preparing the financial statement.

Auditor's responsibilities for the audit of the financial statements

Under the *Cemeteries and Crematoria Act 2003*, the Auditor-General is responsible for issuing an audit report that includes an independent opinion on the financial statement of the Perpetual Care Trusts.

My objective is to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statement.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Trusts' internal controls;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trusts;

**GUNGAHLIN CEMETERY, HALL CEMETERY,
WODEN CEMETERY AND WODEN
MAUSOLEUM**

PERPETUAL CARE TRUSTS

SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR

ENDED 30 JUNE 2019

PERPETUAL CARE TRUSTS

SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

DECLARATION BY THE BOARD

I, the Chairperson of the ACT Public Cemeteries Authority, declare that:

1. the Gungahlin Cemetery, Hall Cemetery, Woden Cemetery and Woden Mausoleum Perpetual Care Trusts (the Trusts) are not reporting entities and that these special purpose financial statements were prepared in accordance with the accounting policies outlined in Note 1 to the financial statements; and
2. the financial statements and Notes present fairly the financial position and performance of each Trust as at 30 June 2019, in accordance with accounting policies described in Note 1 to the special purpose financial statements.

On behalf of the Board



Stephen Bartos
Chairperson
ACT Public Cemeteries Authority
15 July 2019

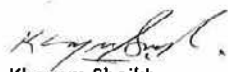
PERPETUAL CARE TRUSTS

**SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

DECLARATION BY THE CHIEF EXECUTIVE OFFICER

I, the acting Chief Executive Officer of the ACT Public Cemeteries Authority, declare that:

1. the Gungahlin Cemetery, Hall Cemetery, Woden Cemetery and Woden Mausoleum Perpetual Care Trusts (the Trusts) are not reporting entities and that these Special Purpose Financial Statements were prepared in accordance with the accounting policies outlined in Note 1 to the special purpose financial statements; and
2. the special purpose financial statements and Notes are in agreement with accounts and records of each Trust and present fairly the financial position and performance of each Trust as at 30 June 2019, in accordance with accounting policies described in Note 1 to the special purpose financial statements.



Khayam Sheikh
Acting Chief Executive Officer
ACT Public Cemeteries Authority
15 July 2019

PERPETUAL CARE TRUSTS
OPERATING STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

		Gungahlin Cemetery		Hall Cemetery		Woden Cemetery		Woden Mausoleum	
Note		2019	2018	2019	2018	2019	2018	2019	2018
No.		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Income								
	Interest	2	3	1	1	3	9	4	6
	Dividend Income	96	83	18	16	331	284	48	34
	Funding from the ACT Public Cemeteries Authority in accordance with the <i>Cemeteries and Crematoria Act 2003</i>	1,050	907	18	15	773	829	20	28
1 b)	Gain on Investments	67	22	14	4	227	78	31	11
	Total Income	1,215	1,015	51	36	1,334	1,200	103	79
	Expenses								
	Reimbursement of Maintenance and Related Expenditure incurred by the ACT Public Cemeteries Authority	927	800	3	2	625	670	17	24
1 b)	Bank Charges	3	5	1	1	14	16	2	2
	Total Expenses	930	805	4	3	639	686	19	26
	Operating Surplus	285	210	47	33	695	514	84	53
	Total Comprehensive Income	285	210	47	33	695	514	84	53

The above Operating Statements should be read in conjunction with the accompanying Notes.

PERPETUAL CARE TRUSTS
BALANCE SHEETS
AT 30 JUNE 2019

		Gungahlin Cemetery		Hall Cemetery		Woden Cemetery		Woden Mausoleum	
Note No.		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
2	Current Assets								
	Cash and Cash Equivalents	197	115	26	13		128	287	264
	Receivables - ACT Public Cemeteries Authority	20	14	-	2	19	30	-	1
	Total Current Assets	217	129	26	15	306	158	287	265
3	Non-Current Assets								
	Investments	1,765	1,568	354	316	6,019	5,472	830	768
	Total Non-Current Assets	1,765	1,568	354	316	6,019	5,472	830	768
	Total Assets	1,982	1,697	381	331	6,325	5,630	1,117	1,033
	Current Liabilities								
	Payable - ACT Public Cemeteries Authority	-	-	3	-	-	-	-	-
	Total Current Liabilities	-	-	3	-	-	-	-	-
	Total Liabilities	-	-	3	-	-	-	-	-
	Net Assets	1,982	1,697	378	331	6,325	5,630	1,117	1,033
	Equity								
	Reserves for Maintenance and Related Expenditure	1,982	1,697	378	331	6,325	5,630	1,117	1,033
	Total Equity	1,982	1,697	378	331	6,325	5,630	1,117	1,033

The above Balance Sheets should be read in conjunction with the accompanying Notes.

PERPETUAL CARE TRUSTS
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Gungahlin Cemetery			Hall Cemetery			Woden Cemetery			Woden Mausoleum		
	Accumulated Surplus/ (Deficit) \$'000	Maintenance Reserve \$'000	Total \$'000	Accumulated Surplus/ (Deficit) \$'000	Maintenance Reserve \$'000	Total \$'000	Accumulated Surplus/ (Deficit) \$'000	Maintenance Reserve \$'000	Total \$'000	Accumulated Surplus/ (Deficit) \$'000	Maintenance Reserve \$'000	Total \$'000
2019	-	1,697	1,697	-	331	331	-	5,630	5,630	-	1,033	1,033
Balance at 1 July 2018												
Comprehensive Income												
Operating Surplus	285	-	285	47	-	47	695	-	695	84	-	84
Total Comprehensive Income	285	-	285	47	-	47	695	-	695	84	-	84
Transfer to the Maintenance Reserves	(285)	285	-	(47)	47	-	(695)	695	-	(84)	84	-
Balance at 30 June 2019	-	1,982	1,982	-	378	378	-	6,325	6,325	-	1,117	1,117

	Gungahlin Cemetery			Hall Cemetery			Woden Cemetery			Woden Mausoleum		
	Accumulated Surplus \$'000	Maintenance Reserve \$'000	Total \$'000	Accumulated Surplus \$'000	Maintenance Reserve \$'000	Total \$'000	Accumulated Surplus \$'000	Maintenance Reserve \$'000	Total \$'000	Accumulated Surplus \$'000	Maintenance Reserve \$'000	Total \$'000
2018	-	1,486	1,486	-	298	298	-	5,116	5,116	-	980	980
Balance at 1 July 2017												
Operating Surplus	211	-	211	33	-	33	514	-	514	53	-	53
Total Comprehensive Income	211	-	211	33	-	33	514	-	514	53	-	53
Transfer to the Maintenance Reserves	(211)	211	-	(33)	33	-	(514)	514	-	(53)	53	-
Balance at 30 June 2018	-	1,697	1,697	-	331	331	-	5,630	5,630	-	1,033	1,033

The above Statements of Changes in Equity should be read in conjunction with the accompanying Notes.

PERPETUAL CARE TRUSTS

CASH FLOW STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	Gungahlin Cemetery		Hall Cemetery		Woden Cemetery		Woden Mausoleum	
Note	2019	2018	2019	2018	2019	2018	2019	2018
No.	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities								
Receipts								
Interest Received	2	3	(0)	1	3	9	4	6
Funding received from the ACT Public Cemeteries Authority	996	929	23	12	828	809	26	52
Total Receipts from Operating Activities	998	932	23	13	831	818	30	58
Payments								
Bank Charges	3	5	1	1	14	16	2	2
Reimbursement to the ACT Public Cemeteries Authority for Maintenance and Related Expenditure	879	800	3	2	669	616	23	24
Total Payments from Operating Activities	882	805	4	3	683	632	25	26
Net Cash Inflows/(Outflows)from Operating Activities	116	127	19	10	148	186	5	32
Cash Flows from Investing Activities								
Receipts								
Dividends Received	96	83	18	16	331	284	48	34
Total Receipts from Investing Activities	96	83	18	16	331	284	48	34
Payments								
Payments for Investments	130	220	24	62	320	880	30	217
Total Payments from Investing Activities	130	220	24	62	320	880	30	217
Net Cash (Outflows)/Inflows from Investing Activities	(34)	(137)	(6)	(46)	11	(596)	18	(183)
Net (Decrease)/Increase in Cash and Cash Equivalents	82	(10)	13	(36)	159	(410)	23	(151)
Cash and Cash Equivalents at the Beginning of the Year	115	125	13	49	128	538	264	415
Cash and Cash Equivalents at the End of the Year	197	115	26	13	287	128	287	264

The above Cash Flow Statements should be read in conjunction with the accompanying Notes

PERPETUAL CARE TRUSTS

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

1. Summary of Significant Accounting Policies

This Note provides a list of all significant accounting policies adopted in preparation of these Special Purpose Financial Statements (Statements). These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of Preparation

These Statements are Special Purpose Financial Statements prepared in order to satisfy the requirements of Section 16B of the *Cemeteries and Crematoria Act 2003* (the Act). The ACT Public Cemeteries Authority (the Authority) has determined that the Gungahlin Cemetery, Hall Cemetery, Woden Cemetery and Woden Mausoleum Perpetual Care Trusts (Trusts) are not reporting entities. These Statements are not consolidated financial statements as each PCT reports separately and funds are only used for the applicable PCT.

The Statements have been prepared regarding the Australian Accounting Standards requirements. They are prepared on an accruals and historical cost basis, except for investments that are measured at fair value.

PERPETUAL CARE TRUSTS

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

1. Summary of Significant Accounting Policies (Continued)

b) Perpetual Trust Arrangements

Perpetual Care Trusts (Trust) have been established for the Gungahlin Cemetery, Hall Cemetery, Woden Cemetery and Woden Mausoleum in accordance with Section 9 of the Act. The Trusts were established for the long-term and short-term maintenance of the Cemeteries and Mausoleum. The Public Trustee and Guardian is the trustee of the Trust's, however, the Authority is responsible for their management.

The Authority is required to provide to each Trust a percentage of the revenue from each burial, interment of ashes or memorialisation at each cemetery and mausoleum (the Perpetual Care Trust Percentage) in accordance with the Minister's determination. The Authority is also required to provide to each Trust a percentage of revenue as a reserve for future maintenance and related expenditure (the Perpetual Care Trust Reserve Percentage).

The percentages are required to be reviewed at least once every five years under the Section 13 of the Act. These percentages were last reviewed and changed from 1 July 2017. The amount in the reserve is set aside for the purpose of long term maintenance requirements of each Cemetery and Mausoleum and cannot be accessed without Ministerial approval.

In accordance with Section 11 of the Act, the Perpetual Care Trust percentages determined by the Minister are as follows:

	Gungahlin Cemetery		Hall Cemetery		Woden Cemetery		Woden Mausoleum	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Perpetual Care Trust Percentage	44.9%	44.9%	11.3%	11.3%	33.8%	33.8%	7.8%	7.8%
Perpetual Care Trust Reserve Percentage	6.00%	6.00%	63.0%	63.0%	8.0%	8.0%	1.0%	1.0%
Sale of Burial Revenue as per the Cemeteries Authority	2,063	1,781	24	20	1,849	1,982	223	314
Breakdown of funding received by Trust from the Authority								
Perpetual Care Trust Contribution Income	926	800	3	2	625	670	18	25
Perpetual Care Trust Contribution Reserve Income	124	107	15	13	148	159	2	3
Total Funding Received	1,050	907	18	15	773	829	20	28

PERPETUAL CARE TRUSTS

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

1. Summary of Significant Accounting Policies (Continued)

b) Perpetual Trust Arrangements (Continued)

The Authority is also required to spend perpetual care funds of each Trust for the maintenance of each cemetery and mausoleum in accordance with the Act.

The Act does not prescribe how 'maintenance' is defined, and consequently does not prescribe how the Trust percentages are determined, except in general terms. The Trust percentages determined by the Minister are used as the basis for the provision of funds for the maintenance of the cemeteries or mausoleum, have been determined on a 'full-cost' basis – i.e. the expenditure incurred against the Trusts will allow for not only the 'direct' cemetery maintenance costs, but also the proportion of 'indirect' costs incurred by the Authority that are associated with the management of the Cemetery and Mausoleum contribution to the Trusts. If in any year, the maintenance costs exceed the Trust contributions for each Cemetery, reimbursements to the Authority are capped to the Trust contribution amount for each Cemetery.

The amount of maintenance expenditure for each of the Trusts is as follows:

	Gungahlin Cemetery		Hall Cemetery		Woden Cemetery		Woden Mausoleum	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Direct Maintenance Costs ^a	666	570	2	1	449	477	12	17
Indirect Maintenance Costs ^b	261	230	1	1	176	193	5	7
Total Maintenance Costs ^c	927	800	3	2	625	670	17	24

- a. Direct Maintenance Costs include overheads for maintenance which are paid by the Authority and allocated to each Trust.
- b. Indirect Maintenance is based on a portion of total indirect administrative costs which are paid by the Authority and allocated to each Trust.
- c. The total Maintenance Costs are capped based on a PCT percentage of burial revenue contributed by the Authority therefore increases or decreases in the Authorities burial revenue impacts the total Trust Maintenance Costs.

PERPETUAL CARE TRUSTS

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

2. Cash and Cash Equivalents

Cash includes Cash at Bank, Cash on Hand and Demand Deposits. Trust money held in the Public Trustee and Guardian Fund are classified as Cash Equivalents.

Cash Equivalents are short-term, high liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Two fund accounts are held with the Public Trustee and Guardian for each Trust. These accounts are for the Perpetual Care Trust and the Perpetual Care Trust Reserve. The breakdown for the two accounts is as follows:

	Gungahlin Cemetery		Hall Cemetery		Woden Cemetery		Woden Mausoleum	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Perpetual Care Trust ^a	85	58	5	-	103	10	268	250
Perpetual Care Trust Reserve ^b	112	57	21	13	184	118	19	14
Total Cash and Cash Equivalents	197	115	26	13	287	128	287	264

- a. The Perpetual Care Trust has increased due to refunds received from the Australian Tax Office for dividends.
- b. The Perpetual Care Trust Reserve is cash reserves to be drawn on by the Authority for specific cemetery maintenance and related expenditure.

3. Investments

Short-term and long-term investments are held with the Public Trustee and Guardian in unit trusts called the Growth Investment Fund. The prices of units in the unit trusts fluctuate in value. The net gain or loss on investments consists of the fluctuation in price of the unit trusts between the end of the last reporting period and the end of this reporting period as well as any profit on the sale of units in the unit trusts (the profit being the difference between the price at the end of the last reporting period and the sale price). The net gains or losses do not include interest or dividend income.

The investments are measured at fair value with any adjustments to the carrying amount recorded in the Operating Statements. Fair value is based on an underlying pool of investments which have quoted market prices at the reporting date.

The purpose of the investments in the Growth Investment Fund is to hold it for a period longer than 12 months. The total carrying amount of the Growth Investment Funds has been measured at fair value.

	Gungahlin Cemetery		Hall Cemetery		Woden Cemetery		Woden Mausoleum	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Non-Current Investments								
Growth Investment Fund ^a	1,765	1,568	354	316	6,019	5,472	830	768
Total Non-Current Investments	1,765	1,568	354	316	6,019	5,472	830	768

- a. Funds from the Perpetual Care Trust Reserve cash accounts were used to purchase units in the Growth Investment Funds.

PERPETUAL CARE TRUSTS

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

4. Cash Flow Reconciliation

Reconciliation of the operating surplus to the net cash inflow/(outflow) from operating activities:

	Gungahlin Cemetery		Hall Cemetery		Woden Cemetery		Woden Mausoleum	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Surplus	285	210	47	33	695	514	84	53
Add/(Less) Items Classified as Investing or Financing								
(Gain) on Investments	(67)	(22)	(14)	(4)	(227)	(78)	(31)	(11)
Dividend (Income)	(96)	(83)	(18)	(16)	(331)	(284)	(48)	(34)
Cash Before Changes in Operating Assets and Liabilities	122	105	14	13	137	152	5	8
Decrease/(Increase) in Receivables	(6)	22	5	(2)	11	35	-	24
Net Changes in Operating Assets and Liabilities	(6)	22	5	(2)	11	35	-	24
Net Cash Inflows/(Outflows) from Operating Activities	116	127	19	11	148	187	5	32

C.3 – CAPITAL WORKS

The Authority is a self-funding statutory body and the majority of capital works are carried out by the Authority and funded in-house. All procurement activity with a value of over \$50,000 is approved by the Board.

C.4 – ASSET MANAGEMENT

The Authority's total non-current assets at the end of June 2019 stand at \$7.4 million.

TABLE 10: MAJOR ASSETS HELD IN THE CANBERRA CEMETERIES' ASSETS INVENTORY AT 30 JUNE 2019

Asset group	Measure
Buildings	7
Burial grounds/cemeteries	3
Total land	56 ha
Parks and manicured landscapes including burial areas	43 ha
Undeveloped land	11 ha
Fences	7 km
Information technology	\$150,000
Mausoleum (576 crypts and 96 columbaria)	1
Buildings/Plant/Equipment/Vehicles	\$1.80 million
Roads and paving	4.3 km
Walls of remembrance	2 locations

No major assets were added or removed from the Authority's asset register in 2018-19.

Asset Strategy

The cemeteries managed by the Authority contain significant landscaping, cemetery specific structures, and various buildings including two residential cottages and office accommodation. Other assets include plant and equipment, information technology, and business processes that enable the day-to-day operation of the cemeteries.

It is our policy to maintain the landscape to a standard which meets the expectations of exclusive right holders and visitors and assets will be maintained in a manner that is consistent with their purpose and age.

The Authority uses several strategies to achieve defined targets for asset management, including improving sustainability through energy efficiency measures in landscape management and office buildings.

Management of Canberra Cemeteries' assets is guided by a Strategic Asset Management Plan (SAMP) which was reviewed in 2018-19.

Assets Maintenance and Upgrade

The Authority's target is to maintain all fixed assets to a 'Good' level, the standard required to deliver appropriate services. Revenue generated from cemetery operations should meet all operating and maintenance expenses (including contributions to PCT funds). This is achieved by charging appropriate fees.

Maintenance is carried out on an as needs basis with major work being done within budgetary constraints. Preventative maintenance programs are in place to ensure that ongoing maintenance costs are minimised, and service delivery maximised.

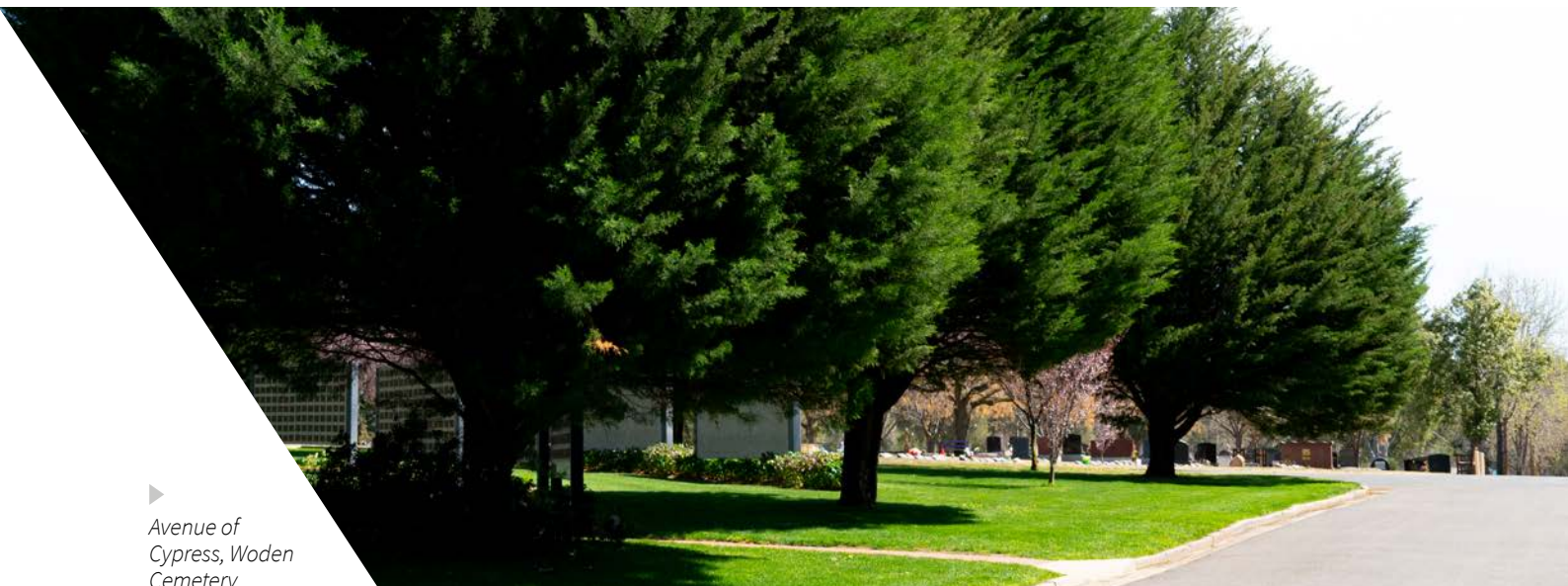
During 2018-19, approximately \$103,000 was invested in repairs and maintenance of buildings, primarily the old office at Gungahlin Cemetery that was repurposed for use as a memorial hall.

Audits are conducted on an ongoing basis. Building Code of Australia compliance audits for all building and valuations on an 'all of cemetery' basis are carried out every five years to ensure all properties are maintained to the appropriate standard.

C.5 – GOVERNMENT CONTRACTING

The Authority maintains a preferred supplier register and uses a number of small contractors for specialist services that in-house staff cannot provide. A full breakdown of expenditure is available in the financial statements.

All procurement conformed to the *Government Procurement Act 2001*, *Government Procurement Regulation 2007* and guidelines for partnering with Shared Services Procurement.



►
Avenue of
Cypress, Woden
Cemetery

C.6 – STATEMENT OF PERFORMANCE



<Print on Authority's letterhead>

ACT Public Cemeteries Authority

Mr Ajay Sharma
Assistant Auditor-General, Financial Audit
ACT Audit Office
PO Box 275
CIVIC SQUARE ACT 2608

Dear Mr Sharma

MANAGEMENT REPRESENTATION LETTER

ACT PUBLIC CEMETERIES AUTHORITY

STATEMENT OF PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019

Introduction

This management representation letter is provided in relation to the ACT Audit Office's review of the statement of performance of the ACT Public Cemeteries Authority (the Authority) for the year ended 30 June 2019 as required by the *Financial Management Act 1996*.

The Governing Board acknowledges their responsibility for ensuring that the statement of performance is in accordance with the *Financial Management Act 1996* and is free of material misstatements, including omissions.

The Governing Board confirms, to the best of their knowledge and belief, the following representations made to you during your examination.

Records

1. The Governing Board confirms that the statement of performance is free of material misstatements, including omissions, and to the best of its knowledge and belief, all relevant records supporting the relevant accountability indicators have been made available to you for the purpose of your examination.
2. All other records supporting the relevant accountability indicators and related information, which might affect the fairness of the relevant accountability indicators, have been made available to you and no such information has been withheld.

Office
Gungahlin Cemetery
Sandford Street
Mitchell ACT 2911

Postal Address
PO Box 37
Mitchell ACT 2911

Contact
T 02 6204 0200 F 02 6207 1624
E cemeteries@act.gov.au
W canberracemeteries.com.au



Compliance with Legislation and Other Requirements

3. The Governing Board has complied with all laws and/or regulations that affect the statement of performance.
4. The Governing Board has disclosed to you all known actual and possible non-compliance with laws or regulations whose effect should be considered in the preparation of, or for disclosure in, the statement of performance.

Internal Controls

5. The Governing Board advises that adequate systems of internal control exist to ensure that performance results have been properly recorded in the records underlying the statement of performance.
6. There have been no irregularities involving management or employees who have a significant role in the accounting and internal control systems that could have a material effect on the statement of performance.

Electronic Presentation of the Statement of Performance

7. The Governing Board will ensure that the electronic version of the statement of performance and limited assurance report presented on a website is the same as the final signed version of the statement of performance upon which the limited assurance report was issued.

Other

8. The Governing Board understands that your examination was made in accordance with Australian Auditing Standards, and was, therefore, designed primarily for the purposes of issuing a limited assurance report on the relevant accountability indicators, and that your examination procedures were limited to those which you considered necessary for that purpose.

On behalf of the Governing Board



Mr Stephen Bartos
Chair, Governing Board
ACT Public Cemeteries Authority
17 September 2019

**ACT Public Cemeteries Authority
Statement of Performance
For the Year Ended 30 June 2019**

Statement of Responsibility

In my opinion, the Statement of Performance is in agreement with the Authority's records and fairly reflects the service performance of the Authority for the year ended 30 June 2019 and also fairly reflects the judgements exercised in preparing it.



Stephen Bartos
Chair

17 September 2019

**ACT Public Cemeteries Authority
Statement of Performance
For the Year Ended 30 June 2019**

NON-FINANCIAL ACCOUNTABILITY INDICATORS

Statement of Intent Accountability Indicators	Original Target 2018-19	Actual Result 2018-19	% Variance from Original Target	Explanation of Material Variances ≥ 5%
a) Number of clients choosing to do business with Canberra Cemeteries, proportional to the number of deaths annually (ACT)	35%	31%	(11%)	1
b) Level of client and stakeholder satisfaction with Canberra Cemeteries	95%	91%	(7%)	2
c) Level of unsatisfied clients and stakeholders matters resolved by Canberra Cemeteries' operations	100%	100%	-	-
d) Average number of years of supply of interment spaces for major denominational groups	4	3	(25%)-	3

The above Statement of Performance should be read in conjunction with the accompanying notes.

Explanation of Accountability Indicators

- a) Death statistics are sourced and extrapolated from the Australian Bureau of Statistics (3101.0 Australian Demographic Statistics, June 2018- released December 2018). The annual number of deaths is calculated using the number average of deaths in the previous three years. The number of clients choosing to do business with Canberra Cemeteries is actual numbers of burials for the year ending 30 June 2019.
- b) Level of client satisfaction is obtained by conducting a survey of funeral directors who regularly access Canberra Cemeteries, supported by a post burial satisfaction survey provided to all willing clients.

The survey to funeral directors asks them to provide an overall assessment of Canberra Cemeteries' performance as a percentage. An average score is calculated from the responses. All local funeral directors provided a response.

**ACT Public Cemeteries Authority
Statement of Performance
For the Year Ended 30 June 2019**

Explanation of Accountability Indicators Continued

The post burial survey is sent to families following each burial as part of a pack of other documents, on an opt-out basis. When completing an Application for Burial, the applicant is asked tick the box if they "do not wish to receive a post service survey". Surveys are not sent to those who do not wish to take part. Surveys comprise five questions covering customer service, burial arrangements and cemetery presentation in a five-tier rating format. Only "top two" (good and excellent) responses count towards "satisfaction". An average score is calculated from the responses. 97 responses were received from 596 surveys sent out. This is a statistically valid result.

For 2016-17 an average of 84% of responses were good or excellent. In 2017- 18 this rose to 94%. In 2018-19 the good to excellent response average was 90%.

On its own, the survey provides guidance on performance in broad terms it is not necessarily used as a planning tool but more to identify any specific areas of poor performance that may need remedial action. Combined with the Funeral Director's survey, a good result provides the Board with a reasonable level of surety that customers' needs are being met.

Further value to the interpretation of the results is provided by the 2019 Transport Canberra and City Services Directorate (annual) Community Survey which has asks respondents to rate the "maintenance of grounds at cemeteries". This survey tests satisfaction. For the 2019 survey, a satisfaction score of 98% was achieved, the highest score across the directorate. Dissatisfaction levels have decreased to 1%. These scores were consistent with other survey results described above.

- c) Details are extracted from a computerised customer service system on matters raised by clients and other stakeholders which are used to manage and track the progress of action taken to remedy issues. This includes follow up with complainants where required. In 2018-19 all matters raised were resolved.
- d) Number of years of supply of interment space is calculated using inventory data compared to the expected number of burials per denomination. The Authority's Board believes that the target number of years (4) provides adequate time for planning and installation of new areas as required. Falling below this target level increases the risk that there will be insufficient spaces in the future.

**ACT Public Cemeteries Authority
Statement of Performance
For the Year Ended 30 June 2019**

Variance Explanations

1. The number of clients choosing Canberra Cemeteries for interment services in 2018-19 was the third highest on record at 627. However, the increase in the number of deaths (extrapolated from the average growth of previous years) exceeded the number estimated causing the percentage to be lower than the 2018-19 target. This result demonstrates the Australia-wide trend of a movement away from burial toward cremation.
2. The level of client and stakeholder satisfaction result is 91%, down on the previous years 95%. The variance can be attributed to lower scores across all measurables after a peak performance year in 2017-18.
3. Average number of denominational spaces available are declining primarily due to the declining number of overall spaces at Woden Cemetery as it nears capacity. There are still potential places available at Gungahlin Cemetery in terms of General Areas and undeveloped land.

INDEX

A

Aboriginal and Torres Strait Islander 2, 15, 24
ACT Public Cemeteries Authority 2, 10, 21, 28
 2018-19 Priorities 15
 Financial Statements 34, 86, 87, 89, 90
 Our Customers and Stakeholders 10
 Our Mission 10
 Our Responsibilities 10
 Our Structure 11
 Outlook for 2019-20 17
 The Year in Review 16
ACT Public Cemeteries Authority Board 14
 Charter 10, 11
 Sub-committees 11, 12
Asset management 13, 22, 95
 maintenance and upgrade 95
 strategy 95
audit 10, 11, 16, 20, 21, 25, 50, 95
 Audit, Risk and Governance Committee 10, 12, 21, 22
 Auditor-General 16
 Environment 16, 20, 25, 43, 56
 Internal audit 10, 11, 21, 22, 25

B

burial
 ashes 16, 18, 19, 43, 52, 91
 capacity 10, 18, 23, 43
 interment 10, 16, 18, 19, 23, 43, 52, 54, 55, 56, 91
 natural option 15, 17, 25
 new areas 23, 25

C

Capital works 30, 38, 54, 65, 95
Cemeteries and Crematoria Act 2003 10, 16, 18, 28, 43, 86, 90
Chief Executive Officer 2, 10, 12, 14, 77
compliance statement 2
customers 10, 15, 20, 23, 40, 55
 and stakeholders 10
 community survey results 16
 Funeral Directors survey results 16, 20

E

earning rates 20
Ecologically Sustainable Development 20, 24
 energy reduction strategies 25
Employee Assistance Program 23

F

Financial management analysis 28
 financial performance 28
 expenditure 28, 29, 37, 40, 42, 43, 44, 48, 55, 58, 65, 86, 87, 89, 91, 92, 93, 96
 income 17, 18, 19, 20, 28, 29, 37, 39, 42, 47, 71, 78, 86, 88, 91, 93, 94
 assets 13, 20, 21, 22, 29, 30, 31, 38, 42, 45, 51, 54, 55, 57, 58, 59, 62, 63, 64, 65, 71, 72, 73, 74, 75, 76, 87, 94, 95
 liability 62, 66, 68, 70, 75
 liquidity 31, 72
Financial statements 20, 28, 32, 34, 42, 43, 44, 45, 46-80, 83, 90, 91, 92, 93, 94, 96
Fraud Prevention 22

G

Government Contracting 96

Gungahlin Cemetery 15, 16, 18, 19, 20, 24, 25, 29, 40, 43, 44, 48, 53, 66, 83, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95

H

Hall Cemetery 24, 29, 40, 43, 44, 48, 53, 66, 83, 86-94

human resources management 23

I

Interment (see burial) 10, 16, 18, 19, 23, 43, 52, 54, 55, 56, 91

internal accountability 10

internal audit 10, 11, 21, 22, 25

M

maintenance 13, 15, 16, 17, 19, 20, 22, 23, 24, 25, 28, 29, 37, 40, 42, 43, 44, 47, 48, 50, 86, 87, 88, 89, 91, 92, 93, 95

mausoleum 19, 28, 29, 40, 43, 44, 48, 52, 53, 56, 66, 83, 86-95

O

Organisation chart 14

Organisational overview 10

P

performance agreements 13, 23

Perpetual Care Trusts 21, 29, 37, 40, 42, 43, 48, 53, 67, 83, 86-94

Reserve 19, 28, 43, 44, 53, 87, 88, 91, 93

review 11, 12, 13, 15, 16, 17, 18, 19, 20, 21, 22, 23, 28, 29, 44, 58, 65, 68, 91, 95

Planning 11, 13, 15, 17, 19, 21, 22, 23, 29, 77

R

Recycling 16, 20, 25

Respect, Equity and Diversity (RED) Framework 10, 20

Risk management 10, 11, 13, 20, 21, 28

S

Scrutiny 21

Southern Memorial Park 16, 18, 29, 54, 65

stakeholders 10, 11, 20

Statement of performance 16, 20, 97

T

Transport Canberra and City Services (TCCS)
Directorate 2, 10

community survey 16

memorandum of understanding 17

Reconciliation Action Plan (RAP) 15

W

water use 16, 20, 24

Woden Cemetery 24, 28, 40, 43, 44, 48, 53, 83, 90

work health and safety 13, 22